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FILE COPY

READJUSTMENT NOW IN SIGHT IN STEEL MARKETS

Independents and U.S. Steel Corporation Competing For Business

AS TO MONEY SUPPLY

Situation Has Several Complicating Features—Business Community Watching Taxation Programme

The developments recently in the steel market have had a significant bearing upon the question of price readjustment inasmuch as this has been one of the great basic commodities that has thus far generally withstood the pressure to lower levels. With a lessening of demand the independent companies in the United States have gradually reduced their prices to the basis which the U. S. Steel Corporation maintained in the face of a bull market of which greater advantage might easily have been taken, and now there are evidences of competition which must soon have effect despite the recent declaration of Judge Gary of the Corporation that there was no intention of making an early reduction of either market quotations for the company's products or wages of labor employed.

There has for a time been a feeling in construction circles that steel is in for a readjustment and that until this has come about and a solid market has been reached building programs and construction plans involving the use of steel in large quantities will not go forward. If this is the case the sooner the adjustment comes or the sooner the conviction is borne that it is not coming—if it is not—the better for business generally. The announcement that plans [illegible] can be gone on with [illegible] taken as a signal of sound conditions in the building trades generally and broad activity may be looked for. As it is there is a great deal of uncertainty as to the extent of the building revival this spring despite the insistent demand for housing accommodation in many communities.

The building situation is also to a large extent dependent upon the money supply and mortgage funds are commanding a high figure. A return to conditions where capital could be secured overseas would be a boon. In the meantime the loan companies are campaigning for larger funds in Canada and this, together with the government farm loan movements in several provinces, seems bound to eventually affect the deposits of the banks. As the latter are very largely employed in the financing of the commerce and industry of the country it is not impossible that higher interest rates will be the outcome of a contraction in bank credit which may have a depressing effect upon business. In view of this situation the banks consider that they are being subjected to a very unfair proposal in Ontario in the taxation program which includes a heavy additional levy on bank reserves, which would involve about $450,000.

Money is not so tight as some few months ago. The readjustment of commodity values and curtailed industrial and commercial operations, with attendant effect upon current loans, has relieved the strain. However, the banks last year increased their farm loans in the Western provinces about $60,000,000 and a large portion of this is still outstanding because of the attitude of many farmers in holding for better prices. At the same time loans to wheat operators are low because of the tendency to rush supplies to the States as soon as possible in view of the tariff proposals.

That the readjustment is having its effect upon industrial operations may be judged by such reports as that of the Woods Manufacturing Company showing a deficit of about $430,000 on the year's operations. However, this is an outstanding case and the fact may be pointed out that the company had placed itself in a position where it was able to meet this heavy loss out of profits from the more prosperous years. Manu-

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FORD'S WAGE SCALE

Better Than 50 Per Cent. Production Expected by April

Sentiment among workers of Ford Motor Company at Detroit is that a new general wage scale will be announced before long. Ford distributors in Detroit say they hear sales are good in many sections of the country and they anticipate that the plant will be back to better than 50 per cent. normal production early in April. It is estimated that more than 60 per cent. of the Ford cars unsold on December 31 last have since been sold.

REDUCED PRICE FOR NEWSPRINT IN 2ND QUARTER

Quotation is 5½ Cents a Pound or $110 a Ton

MARGIN OF PROFIT

Will Still be Substantial Although Production Costs Have Shown Some Important Advances

By Resident Representative.

MONTREAL.—The expected reduction in the price of newsprint for the second quarter of 1921 comes in an announcement by the Canadian Export Paper Company that from April 1 to June 30 its price for export purposes will be 5½ cents per lb., or $110 a ton. This compares with the existing price of 6½ cents per lb., or $130 a ton, and shows a decline of $20 a ton, or about 15 per cent. The cut is probably a little more than had been anticipated, $115 to $120 being the ordinary view in newsprint circles, with $115 as the most "popular" guess.

This decline in the price must be accepted, in the main, as a concession to the general decline in commodity prices that apparently lets no commodity escape, even when wood, labor and coal costs continue at the peak at the mills. Taking the average costs of production in Canadian mills, low and high together, it is probable that the cost now runs about $75 to $80 a ton, so that the mills will be showing an excellent profit even at the reduced price. In addition there will be the advantage of the exchange rate as payments for export are in New York funds. This would mean about $14 extra, with exchange around 13 per cent., bringing the real price to about $124 a ton.

Some Comparisons

Looking over the situation as compared with the last couple of years the price of $110 a ton seems very satisfactory, although costs, of course, are higher. When paper prices were fixed in Canada in 1919 the mills were receiving only $69 a ton, with $75 for export, that is for about 85 per cent. of their product. Later the price went up to $80 and then to $90 a ton, with a price in the latter part of 1920 from $100 a ton to $130 as a high, the latter price continuing for the first quarter of 1921. Hence the price of $110 a ton for the second quarter is far ahead of the average, even for the year 1920. And at the 1920 prices the paper mills rolled up very large profits. It is quite true the demand for newsprint at the present time is below that of last year in the first quarter, from ten to fifteen per cent. less, and this lower demand may continue for some months longer and even into the fall. This may in turn result in a further easing off in prices for the last half of 1921, but making all allowances the Canadian mills with their own supplies of pulpwood and cheap water powers are in a position to make substantial profits with any mill on the continent, and are much lower cost mills than the great majority in the United States.

It is taken for granted that although the Canadian Export Paper Company alone announced prices, the rate of $110 a ton will apply to Abitibi and Spanish River, who sell through another agency, as well as those of the Export Paper Company, which include Laurentide, Brompton, St. Maurice, Donnacona, and others not listed among the Exchange securities.

POLITICS TEND TO CLOUD THE BIGGER ISSUES

Demand for Early Election Is Not Taken Seriously

REDISTRIBUTION FIRST

Otherwise West Would Be Robbed of Proper Representation—Some Light on Manoeuvres of Leaders

By Resident Representative.

OTTAWA.—There appears some danger that the real political issues before the country may be lost sight of or minimized in the steady stream of political gossip regarding coming cabinet changes and election talk. The country is undoubtedly vastly interested in what Premier Meighen may do in the way of cabinet reconstruction, and when he may do it, but of more vital importance to the business interests of the country is the legislation which may come up.

So far as probable cabinet reconstruction goes, a slate for which the information is derived from a reliable source very close to the premier gives the following names as those of men whom the premier now has in mind as new blood: H. H. Stevens, British Columbia; General Mewburn, Captain Manion and W. A. Boys, Ontario; L. J. Gauthier, A. A. Mondou and George Boivin, from Quebec.

Of the above named, five are lawyers. Mr. Stevens, who is an accountant and broker, comes nearest among those mentioned to being a business man. Among those who would go out to make room for the above or others are Sir George Foster, who is said to be slated for the High Commissionership in London; Hon. Dr. Reid and Hon. P. E. Blondin. That there will be some measure of reconstruction at an early date is probable.

No Early Election

It is not believed to be the intention of the Government to appeal to the country until after the passing of a redistribution act, which cannot come until after the census returns are made up, and that will not be before next autumn. It seems probable, therefore, that the Government will endeavor to carry on until nearly the time when Parliament expires in 1922. There is this possibility: if extensive cabinet reconstruction takes place, the Government may try out something in the nature of a general election on a small scale by holding all the necessary by-elections at once. If the results should prove favorable, the Government might fairly take this as the much talked of necessary mandate for carrying on to the end of its term; if pronouncedly unfavorable, dissolution and a general election at the earliest possible date thereafter would be almost a certainty.

While the leader of the Liberal party is calling loudly for an immediate dissolution and an election, it seems hardly probable that he is serious. An election before a redistribution would deprive the West, in particular, of twenty or more additional representatives to which it would be entitled. The Farmers' interest is the dominant one there now, however, and it is said that the Farmers' party is divided in opinion as to whether the Government should be allowed to continue in office or not. One wing, led by Mr. Crerar, is understood to be opposed to any action which will have the effect of making conditions any more unstable than they are at present; another portion of the party will join with those of the Liberals who will try and force an appeal to the country.

On the whole, the more stable opinion in the House and in the country seems to be that there is nothing to be gained from forcing an election at the present time, when great issues like the tariff, the railway question, taxation and so forth are in a position of indefiniteness. The Government is prepared to revise the tariff having regard to the necessities of revenue and the maintenance of the principle of protection which has prevailed for more than forty years.

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Disturbances at Thorold an Indication of The Activities of the Bolshevik Agitators

Present Labor Troubles Due to Same Influences as Recent Riot—Government Police Reserves Maintained to Meet Such Situations Throughout the Country

By Resident Representative.

OTTAWA.—The despatching of a large force of Mounted Police to Thorold, Ontario, draws attention to the policy of the Government in concentrating a large number of police, to be used as a "striking force" at Ottawa. The Thorold difficulty illustrates the idea in the mind of the Government in making the change.

It has been well known to the authorities here that the elements of unrest were far greater and more aggressive than the public has had any idea of. The action of some citizens of Thorold in burning the court house and attempting to lynch a man accused of the murder of a child—a crime of which he was afterwards acquitted—was largely due to the same unruly elements of the population which have been trying to foment labor disturbances there, as well as at Hamilton, Welland and elsewhere. The element referred to is known to be pronouncedly Bolshevik in its ideas.

It is stated that the present strike has been practically forced and kept up by a certain element among the workmen. What is not known is that in an intensive search made for weapons during the present week, a large number of men were found to have firearms and other weapons in their possession, and were apparently ready to use them. Not only in Ontario, but in other parts of Canada the Mounted Police have had to be active in watching the spread of this propaganda, several agitators having been deported recently.

The Problem of Taxation

THE approaching date of the Federal budget, and the imperative necessity of raising government funds, together with the unusually admitted injustice of the present system of taxation, have brought the whole subject forcibly to the attention of business men and investors. And it may be taken for granted that Sir Henry Drayton echoed the spirit of the people, when he stated it as his happy opinion, that Canadians, recognizing the necessity of raising government revenue, were prepared to pay such taxation as was necessary.

The actual emergency of war being now passed, we have in its stead an industrial reaction which, even more than the conflict, has affected the nation's business. While this may be of short duration, and while its coming may have been inevitable and not in any way blameable to the burdens of new tax laws, yet evidence is on every hand, where inequality has resulted in injury to individuals without commensurate benefit to the whole.

Economists and business authorities are agreed that the Business Profits Tax must be abolished. The idea of the tax as adopted in all countries was to apply extra profits derived from business increases due to war to the purpose of paying for the war. It was an erroneous system of taxation fastened on the country under the exigencies of war pressure. It has outlived any term of real usefulness it may have had. It is abolished in England, where in the completeness of its failure it had changed from an Excess Profits to an Excess Losses tax to the extent that on the three year average, as practised there, the system became in 1920 a refund rather than income to the [illegible] would exist in Canada on a [illegible] average [illegible] up their returns for this year.

Revise Income Tax

While a cancellation of the Income tax system is hardly to be expected nor even wanted at this time by reasonably minded observers, a revision of the conditions and method of application is insistently needed. British experience over a period of 70 years has witnessed continuous improvement of this form of taxation, while Sir Thomas White frankly acknowledges the difficulties of administration. He states in part:

> "Without a strict investigation, which is not practicable in every case, it is impossible to be assured that income returns are even reasonably accurate. That there always will be evasion on a large scale is inevitable. My view is that income tax should, if possible, be left to provinces for their own purposes and those of municipal governments."

Students of this most vexed problem unite in agreeing that the present system must be abolished, claiming that taxation is a "cankering sore eating into the vitals of business." But what is to take its place?

Turnover Tax the Solution

William C. Cornwell, editor of Bache Review, and an advocater of turnover tax, expresses the situation in the United States as follows. His view applies with equal force to Canada:

> "There is but one way out; one source untapped; one reservoir with almost unlimited supply; one method, simple, smooth-working, practicable and businesslike, instantly available, easy and economically administered—the Tax on Turnover—which the business of the country is rising in its wrath to demand, and which will be enacted in response to that demand because it will inestimably benefit every citizen of every class."

It may be taken for granted that the rising tide of public opinion favoring this tax in the States will be effective. It may also be taken for granted that Ottawa will consider following suit. That any system of taxation in Canada bearing more heavily than the American tax would be prejudicial to Canadian interests is supported by the statement of Sir Thomas White in regard to the application of the Income Tax:

> "I hesitated long, before introducing it (the Income War Tax Act) because among other reasons we did not desire direct taxation to be heavier in Canada than in the United States. This is a maxim which, on account of Canada being a country inviting immigration and business enterprise, I think should be observed as nearly as may be."

Possible Objections

An ideal and perfect system of taxation is an admittedly human impossibility, but it is argued by advocates of the Turnover Tax these imperfections are fewer and less objectionable under this system. It is claimed that large companies, carrying on more than one operation of manufacture and therefore paying only one tax, have an unfair advantage over smaller companies who manufacture only one article. The success, however, of the many small or privately held industries in Canada indicates that the single process manufacturer has long been able to compete with the large, self-contained companies. But if on the other hand, any real injustice develops here it is quite possible to provide that the manufacture of each individually saleable article shall bear tax.

Value of Turnover Tax

A tax of one per cent. on the business turnover of Canadian manufacturing industries alone has amounted in 1919 to over $34,000,000. Similarly the total "production" of the country would have realized nearly $70,000,000 from this form of tax alone.

A few of the salient points of this tax as proposed for application in United States are:

One per cent. of the gross sales, paid by the seller and passed on to the consumer.

Gross sales of less than $500 per month or $6,000 per year to be exempt. This leaves labor and a large part of the farming country on the free list.

The burden is apportioned according to expenditure. It is a charge on business concluded and paid for and the transaction is definitely closed. It does not penalize efficient management nor cripple the accumulation of legitimate reserve funds. It does not encourage extravagance, nor tend to the practice of fraudulent returns or evasions.

The average burden on all commodities would not be more than 2½c on each.

The prices of commodities would actually be reduced materially compared with present prices, which under the Business Profits Tax are increased over 23 per cent.

Viewed from every possible angle the tax on turnover while perhaps far from perfection has many advantages which must be seriously considered by those who are framing the budget at Ottawa.

TRACTIONS MAKE HEADWAY IN AN EASIER MARKET

Reactionary Tendencies Follow Failure of Montreal Brokerage House

FRAUD ALLEGED

Extent of Loss Not Yet Determined—General List Softer—Tractions in High Favor—Better Times Ahead

The assignment of the brokerage firm of Oswald Bros., of Montreal this week, members of the Montreal Stock Exchange and one of the older brokerage houses of the city, had the effect of shaking the confidence of market supporters, with the result that reactionary tendencies were developed in the market list, of comparatively minor proportions, however. It is understood that this firm is heavily involved, although it has not yet been determined what securities will be particularly affected. The failure is attributed in the words of the statement made public by the company in Montreal this week to "the fraudulent manipulation of the firm's books by Gerald H. Bruce, the junior partner, and owing to false and fraudulent statements sent by him to certain of the clients."

Until the company's books are inspected and the extent of the loss together with the list of securities affected is determined, it is improbable that there will be any vigorous development. The resistance displayed by the markets to this adverse influence was, however, the subject of favorable comment, and demonstrated the underlying stability of the Canadian stock markets.

The markets were treated to the unusual spectacle this week of a [illegible] sumed such broad proportions that

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The Transfer Books will be closed from the 14th to the 28th day of February, both days inclusive.

By Order of the Board.

H. B. SHAW,
Winnipeg, Jan. 21st, 1921. General Manager.

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BENEFIT SCHEMES ACTS OF ORDINARY BUSINESS POLICY

Has Employers' Attitude Undergone a Change in Past Few Months?

LABOR PLENTIFUL

President Imperial Oil Reviews Conditions in His Company—No Change of Policy—To Make for Efficiency

The position of labor has undergone a radical change within the past few months. The power and authority derived in the days when industry was booming, and the supply of labor inadequate to meet the demand, have largely been dissipated. The wonder can no longer dictate terms upon which he will take employment. He sees the volume of unemployment steadily increasing about him, and he is content to apply his best efforts in order that his association with his firm may not be severed. There is no longer the need of artificial stimulus on the part of the employer to arouse his workers to zeal and industry. The change in the course of business events has solved the problem for him.

What is the attitude of the employer toward the benefit schemes adopted during the hey-day of industrial prosperity? Will he retain the schemes that were introduced when he was primarily interested in retaining the services of his workmen, and in removing as far as possible all incentive to unrest and disorder? Will benefit schemes now be continued in operation, and will firms, which perhaps have had some plans along this line in view, now proceed to carry them out?

Mr. Stillman's Views

The Imperial Oil, Limited, is one of the larger Canadian incorporations which has done a good deal in the way of welfare work for its employees. The benefit schemes embrace group insurance, sick, accident and disability insurance, and a scheme for pensioning workers who have completed a long period of honorable service with the company. The attitude of the management of this firm toward these schemes in view of the altered conditions now prevailing will be of interest. President C. O. Stillman, in a communication to THE FINANCIAL POST reviews briefly what the firm has done, and referring to the group insurance plan stated that the company's motives in adopting this scheme were twofold: a provision for the welfare of the employees, and an act of ordinary business policy which had for its object the reduction of the large losses to industry due to replacements, with the hope thereby to lessen the turnover of labor. He proceeds as follows:

A commercial reaction does not change our views, and in fact we are endeavoring to prove to our employees that we are solicitous for their well-being at a time when labor is plentiful and jobs are scarce as we were when the conditions were reversed. The plan was originally received with considerable suspicion, but that has worn away, and as payments to the dependents of deceased employees are made the plan is being better understood and appreciated.

We feel that the relations between an employer and an employee are something more than a matter of wages and hours, and in addition to the insurance plan we have an annuity and a sickness, accident and disability plan. We have established a considerable democracy in this organization. We have between twenty-five hundred and three thousand of our employees who are also stockholders, and we have many evidences of increasing interest in the increasing prosperity of the company by these stockholders, and the larger sense of responsibility which comes to them when they realize that they are part owners of the business.

I wish to add that we do not regard any of these policies of administration as paternalism or philanthropy. We started out to make our own organization more permanent and more efficient, and we believe that we have made considerable progress. At the present time we have added to rather than diminished our working force, and we are proud of it, and we are putting forth every effort to find profitable employment for every man on our payroll.

Results in 1920

The workings of the various plans during the year 1920 are outlined in the current issue of the Imperial Oil Review. The annuities and benefits plan, it is pointed out, was instituted two years ago. Under this department all employees who have spent twelve months' continuous service with the company become insured for amounts ranging from $500 to $2,000 according to each employee's earnings and length of service. On December 31 last there were 4,312 employees insured, the total amount of insurance being $3,472,130, an average of $805 per employee. The average amount of insurance per employee for the previous year was $711. During the year there were 23 deaths in the organization, and the amount of insurance carried by these employees under the plan was $26,184, being $3,749 more than was carried by the deceased employees in 1919. The average amount carried by each member who died was $1,138.

The percentage of employees who had no insurance other than that provided under this plan was 48. The amount of insurance is not paid in one sum to the beneficiaries, but is paid in twelve monthly instalments, over what is known as the period of readjustment.

A total of approximately $41,000 was distributed to some 760 employees during the year on account of sickness disability. Sickness during the year resulted in nearly 12,000 days of lost time. In connection with accident benefits there was paid out the sum of $66,000. Accidents resulted in 4,014 days of lost time.

CANADIANS GET BIG GOLD COAST JOB

Canadian Materials To Be Used on Contract Running to $17,000,000

By Resident Representative.

VICTORIA.—To a Western Canadian engineering firm has been awarded by the British Government one of the most important harbor construction contracts arranged since pre-war days. Stewart & Macdonnell, headed by Major-General J. W. Stewart, for years active in railway building as a partner in Foley, Welch & Stewart, contractors for extensive works in British Columbia, has been chosen to carry out the first unit of the great harbor works at Takoradi in the Gold Coast colony, British West Africa. About $17,000,000 is involved.

General Stewart, who recently returned to British Coumbia after competing arrangements for the big job in England, says that Canadian material will be used in the project to as great an extent as possible. Canadian cars, steam shovels, locomotives, cement and iron will be shipped in immense quantities, and British Columbia lumber will play an important part in the work.

Ships carrying this material to Africa will return laden with mahogany, cotton, rubber and other produce of the country. The shipments are expected to act as the forerunner of an important trade between Canada and West Africa.

1920 A POOR YEAR FOR THE PACKERS

Earnings Dropped From The Level Maintained in Previous Two Years

The year 1920 proved most unfavorable for the packing industry. Earnings fell off from the showing of the previous two years. Swift & Co. for its year ended October 30 showed net profits of $5,170,382, equivalent to $3.42 a share on $150,000,000 capital stock against $9.24 in 1919 and $18.44 in 1918.

Cudahy Packing Co. for the year ended October 30 showed earnings available for common stock of only 26 cents a share compared with $8.61 in 1919 and over $24 in 1918. Deficit for 1920 was $859,846.

Morris & Co. for the fiscal year ended October 30 showed a deficit of $2,955,700 against net income of $703,641 in the preceding year. During the year capital stock was increased from $3,000,000 to $40,000,000 by transfer of $37,000,000 accumulated earnings from surplus, amounting to a stock dividend of 1233%. No cash dividends were paid.

Armour & Co. showed net income for 1920 of $5,319,975, equivalent to $1.11 a share on the $50,000,000 class "A" common (par $25), against $13.11 a share on $100,000,000 common (par $100) in the preceding year. Although net income for last year represents but 2.4% on the average net capital investment, it was necessary, in order to show that amount, to draw on reserves accumulated by foreign connections.

Gross turnover of packing companies, while somewhat under 1919, held up well under existing conditions. Gross sales of Armour & Co. fell off $138,000,000 from $1,038,000,000 of 1919, while that of Swift & Co. was $100,000,000 under the $1,200,000,000 of the previous year. Cudahy's sales declined $17,108,000 from the $306,000,000 of 1919.

The poor showing in 1920 as reflected in the earnings of the packing companies was reported due to shrinkage in inventory values and the cutting off of foreign markets on account of adverse exchange rates.

During the last half of the year occurred the general reaction from the abnormally high level of prices for all commodities and the general curtailment of expenses on the part of the public.

HIGH LABOR COSTS TEND TO INFLATE COMMODITY PRICES

Wage Reductions Necessary Precedent to Lower Price Levels

ATTITUDE OF LABOR

Labor Costs Form Large Part in Costs of Nearly All Commodities—Wages Must Also Share in Liquidation

The wage question is now receiving a good deal of attention on the part of employers of labor, and it will be of interest to note what the Index, published by the Liberty Bank of New York, has to say on the subject. The information contained in the article has been gathered from replies to inquiries on the subject addressed to about fifty important manufacturing concerns in the United States. The Index points out that in view of the fact that labor costs form so large a part of the total cost of nearly all commodities, reduction in wages is a necessary precedent to permanently lower price levels. It will be impossible to bring about a return of normal conditions—conditions under which production can be accomplished at prices that the buying public is willing to pay—without a large decrease in the wage bill.

This being so, it has seemed of first importance to ascertain by what amount wages have been increased, what is the present trend as to reduction of wages and how labor views wage cuts. The following conclusions are based upon the information obtained:

1. To the question "By what percentage has your present wage scale increased over your pre-war scale?", forty-six answers show a range in the percentage of increases from 35 per cent. in the case of a specialty manufacturing concern, to a maximum of 340 per cent. in the case of a worsted mill. Another high percentage was in the case of a railway equipment company. The average increase was 133 per cent.

2. That wage reductions are numerous and widespread is evidenced by daily reports in the press. Among the most important and significant of these reductions are those announced by the Bethlehem Steel Corporation and the American Woolen Company, the latter company making a reduction of 22½ per cent. on January 11.

In reply to the questions submitted few manufacturers report wage reductions actually made, but out of 42 replying, 23 state that reductions are contemplated, 16 that no plans have been made for wage reductions, while 5 are non-committal.

3. A further question was: "What is the attitude of your labor toward wage reductions?"

The answers to this question are somewhat inconclusive, but the attitude of the majority of those who replied is that labor in general appears to expect reductions and will reluctantly agree to them.

Proportion of Costs

4. To indicate the proportion of costs that is represented by labor, inquiry was made as to the relation of factory payroll to factory cost. This proportion, of course, varies greatly in different industries. The average of 38 replies is 36.5 per cent.; that is to say, of total factory cost factory labor absorbs considerably more than one-third, and in some industries as much as 56 per cent. This, however, is not the whole story of labor costs, since all raw and semi-finished materials, fuel, transportation, etc., contain a considerable percentage of outlay for labor, and what is particularly significant in this connection is that of the increased cost of many commodities—coal for example—almost the entire increase in price represents increase in wages.

5. These and other questions lead up to what was the principal subject of the inquiry, namely; "Will there be a return to normal conditions in advance of a reduction in wages?"

Out of 33 categorical answers all but 4 are in the negative, that is to say 29 out of 33 manufacturers express the decided opinion that there cannot be a return to normal conditions in advance of a considerable reduction in wages. The weight of opinion in this respect is well expressed in the statement of one of the largest automobile manufacturers in the country:

"As wages constitute 75 to 80 per cent. of commodity costs when raw materials are followed back to the last analysis, no return to normal conditions can be expected without reduction in wages. Price reductions may come from decreased profits, from increased efficiency all along the line, but wages evidently must also share in the liquidation."

This paragraph states the essence of the present situation.

As bluntly summed up by one of the leading machinery manufacturers of the country, "We cannot have lower prices on shoes and yet pay the highest wages to shoemakers."

AUSTRIAN COST-OF-LIVING

WASHINGTON.—The Red Cross states that living costs in Vienna today are 155 times higher than those of 1914, according to reports from the Austrian capital. Salaries have increased only about 400 per cent., this representing average shown by tabulation of large number of middle-class professional and government positions. Coincident with enormous increase in cost of living, exchange value of kronen has dropped from 20 cents to one-sixth of a cent.

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GARY SAYS U.S. STEEL PLANS NO CUT IN PRICES

Implies That Quotations and Wages Will Be Maintained

INDEPENDENTS ACTIVE

Competition is Keen and Smaller Companies May Have a Big Say in Fixing The Market

NEW YORK.—"We have no present intention of changing our selling prices," said Judge Gary in answer to questions regarding possible action of the United States Steel Corporation following the price cuts put into effect by independents.

"And as to the subject of reducing wage rates, the matter has not been up for consideration," he added.

Judge Gary said that he had been surprised at hearing of the course the so-called independent companies had taken in regard to prices particularly as they had claimed that they could not sell steel at the Industrial Board prices without a loss. He added that from the corporation's books he was satisfied that many of its competitors could not make a profit unless they received as much as or more than the Industrial Board levels.

While declaring that he did not know definitely what was in the minds of the independents, it seemed to him that their intention must be to cut wage rates, charging to the worker the price reductions. This he appeared to think unfair.

Price cutting, Judge Gary declared, will bring in no more business, and those resorting to it can receive but a temporary advantage.

Questioned regarding the allegations of Controller of the Currency Williams that steel prices were too high, Judge Gary pointed out that two price reductions had been made between the date of the armistice and March, 1919, and that the corporation had since maintained and was still maintaining the March, 1919, level, although both wage rates and transportation costs had since been increased.

Independents [illegible] Dictating

On the other hand, the [illegible] Iron Trade Review says that [illegible] independents are now leading in price dictation and that as the result of an unbalanced situation aggressive competition has at last appeared. The recent issue of this publication says:

Leadership in the dictation of the lowest prices in steel has passed from the Steel Corporation to independent producers for the first time since the war. Such complete reversal of the situation, prevailing for many months, has been forced by the sweeping reductions of approximately $5 to $8 a ton in many products abruptly put in effect during the past week by several leading independent companies. This reappearance of aggressive competition has not resulted unexpectedly—it represents the sequel to the unbalanced conditions of operations dating from the sharp contraction of the market last fall under which the Steel Corporation has been working practically at full capacity while the independent makers barely have been able to maintain a 25% to 50% activity. Not all the independent producers yet have followed the initiative in price reductions taken several days ago by the Midvale Steel & Ordnance Co. and certain other interests, but they are doing so rapidly.

All interest now is centered in the action the Steel Corporation may decide upon to meet the new market basis. Generally it is believed the matter of wage reductions is bound up closely with this position. Up to this time the leading producer has not been disposed to order any stepping down of the approximately 140% advance in labor rates established since 1914. Some falling off this week in the high gait of operations among Steel Corporation plants indicates that this question is likely to become a more pressing one soon.

Conditions in the steel market have been so upset by the week's development that the point to which prices have fallen in various lines has been defined positively. Moreover, the volume of new business actually brought out by the reduction has been so small that a real test is lacking. Steel bars, however, have sold $5 to $7 down and plates $8 lower. Some sheet mills have reduced $3 to $5 per ton. Galvanized wire is quoted 10 down.

For the first time in many months, the composite market average of the Iron Trade Review has fallen below the $50 mark, due to the many reductions in steel levels. This week the composite figures of fourteen products is $49, last week it was $50.78, two weeks ago $51.28, and one month ago $51.73. Offering by steel works furnaces has become a great factor in the pig iron market, and has been bringing out the lower prices. A Chicago maker is credited with having gathered in a large tonnage of business, including 15,000 tons to western radiator interests, on the basis of $25 to $26 furnace.

Decrease of 574,958 tons shown in unfilled orders of United States Steel Corporation for January indicates that incoming business averaged approximately 27,000 tons a day through the month. Shipments were at the rate of about 50,000 tons for each of the 25 working days.

In the earlier part of the month incoming orders averaged only a little over 20,000 tons a day, but the last week of January saw a decided betterment in buying, with several rail orders placed, and this served to bring up the average. Orders in the last week of January must have averaged between 40,000 and 45,000 tons a day.

There is no reason to expect that the rate of incoming orders of the end of January will continue through the present month, particularly in view of the change in the steel situation brought about by the action of a large independent in announcing an open market. All previous experience indicates that the immediate result of the open market will be further slackening of business temporarily.

January output is at annual rate of 31,085,000 tons compared with estimated 1920 production of 40,500,000 tons and actual 1919 production of 33,694,795 tons. At the January rate the 1921 output would be the lowest since 1914.

COAST CITIES AFTER FREE PORT AREAS

Competition for Shipping is Taking on An International Aspect

By Resident Representative.

VICTORIA.—Both Vancouver and Victoria are likely to make application to the Federal Government within the near future for the establishment of free port areas on the Canadian Pacific coast.

This move is being taken not only with a view to build up the foreign trade of Victoria and Vancouver and to provide additional business for the extensive facilities that have been provided at these two points for handling freight but also with the idea of forestalling or at least preceding any similar action on the part of American cities on the American Pacific seaboard.

It is well known that San Francisco, Portland and Seattle are competing with each other for free port privileges; in fact, the fight has been on in a quiet way for several years. Knowledge that the British Columbia cities are out for the same thing has brought the agitation more into the open, and it is generally considered that at least one American Pacific seaport will be granted its request. If this is done, say people behind the free port movement in Victoria and Vancouver, the Canadian ports will be placed at serious disadvantages unless afforded similar opportunities.

THINKS NEWSPRINT PRICES UP TO STAY

President Dodge of International Paper Says no Changes in Costs

BOSTON.—There can be no immediate recession in newsprint prices, according to President Philip T. Dodge of the International Paper Company, who points out that, with the possible exception of coal, there are no recessions in the costs of the three and one-half tons of material which go into the manufacture of a ton of newsprint, nor in the cost of transportation, while labor has contracts to May and is now agitating for higher wages.

He points out that the length of time between standing timber and finished paper—18 to 24 months—requires that, in order to supply the 800,000 cords of wood which the company will use this year, 1,200,000 cords of wood must be en route or in process. This wood has more than doubled in price since 1913 and consequently the amount of working capital tied up in this item for so long a period is more than doubled. The company burns 1,000,000 barrels of oil a year, and new contracts must carry a greatly increased price.

For the first quarter of 1921, the company has contracted with the publishers for only 80 per cent. of the 1920 bookings, but this 20 per cent. margin is its protection in the event of freight tie-ups or other hindrances to production. Mr. Dodge points out that when the company announced this policy it also stated that contract holders would be given the refusal of whatever additional tonnage the company produced.

The softening of the spot market is merely the curing of an unhealthy condition and is largely sentimental on the importation of small amounts of German paper. It has been necessary to offer these at reduced prices as the shippers will make no guarantee of price or delivery; also much of this paper is of inferior quality. A large New York daily has lately offered 1,000 tons of German newsprint which would not run through its presses without breaking, and is not particular about the price it gets for it.

PRICE CONTROL HAS FAILED IN NEWFOUNDLAND

Minister Now in Portugal in Effort To Sell Fish

SUGAR IS HELD UP

Government Put in Supplies and now Cannot Afford to Take Less—N.S. Fish Trade Unsettled

By Resident Representative.

HALIFAX.—New regulations forbidding the export of more than five tons of cod from Newfoundland to Portugal by any exporter were promulgated by the Newfoundland Government some weeks ago. It was explained that the purpose of this was to enable the minister of fisheries, Hon. Mr. Coaker, now in Portugal, to continue negotiations for the sale of large quantities of fish in that country unhampered by possible counter offers direct from exporters. It was reported that twelve Newfoundland vessels were in Oporto with about 40,000 to 50,000 quintals and not able to dispose of a pound of it because of the Newfoundland Government's action in trying to keep the market up by requiring fish owners to sell at or above a fixed minimum price. Just how successful the minister of fisheries will be in his mission to Portugal remains to be seen, but it is doubtful if the system of price-fixing will be more successful in fish than it was in the matter of sugar.

The price of sugar in Newfoundland is 25 cents a pound because the Government laid in a stock and fixed the price at that figure. Now they say the stocks on hand must be consumed before the price is allowed to be lowered as the Government cannot afford to lose the amount they put into it in pursuance of their price-regulating policy.

H. A. Richardson told the shareholders of the Bank of Nova Scotia recently that the bank had been in receipt of cables from Portugal which were somewhat hopeful, and it is to be expected that matters will turn out better than anticipated. The Bank of Nova Scotia is the predominant financial institution in "the ancient colony."

Conditions in Nova Scotia

The condition of the fish trade in Halifax is causing some feeling of depression among those directly interested in it. The foreign markets are not in a satisfactory state and prices are far down in the scale as compared with a year ago. Porto Rico is one of the chief markets for our exporters and there prices are lower than when THE FINANCIAL POST was given its last statement on conditions in that island. Cod does not now net there more than $5 per quintal and from $2 to $3 is all that can be secured for haddock. It is reported that no business at all is doing in this line in Brazil, another of the chief markets for exporters. In Cuba the demand is reported good but prices are continually dropping. The moratorium is still in force and American efforts have so far failed to remedy matters, though it is stated that on February 15 the moratorium will be removed. No shipments are going to Europe from Nova Scotia. The European market absorbs the attention of Newfoundland rather than Nova Scotia.

MANITOBA'S NATURAL WEALTH

Mineral and Timber Resources of North Being Developed

The value of the timber and mineral output of Northern Manitoba is steadily growing, and last year reached a total of $2,754,000, according to a preliminary report prepared by Prof. R. C. Wallace, commissioner of Northern Manitoba. Importance is attached to the option taken by the Flin Flon syndicate on the Flin Flon property. This option has resulted in a large amount of underground work, in which 80 men have been engaged since March last. In the Rice Lake district there was greatly increased interest during the winter of 1920. The last shipment of ore from Sturgeon Landing to the Trail smelter was made during the last summer. Operations have ceased until a railroad reaches the mining district. Copper production by the Mandy mine since 1916 has reached a value of $2,000,000.

Lumber operations at The Pas increased during 1920, according to the report, and some 1,500 men were employed. Output of lumber reached a total of 35,000,000 feet. The fish catch was smaller last year. Altogether 3,300 tons were shipped to a value of $60,000. The value of the cattle grazing in the Saskatchewan River valley is estimated at $15,000,000.

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TRACTION ISSUES ARE FEATURES OF STOCK EXCHANGES

Sentiment on Behalf of Group Undergoes Radical Change

OUTLOOK BRIGHT

Price Appreciation of Substantial Proportions Maintained —Day of Tractions at Hand —Toronto Railway Leads

Members of the traction group were the dominant features of the stock markets at intervals this week. In a large turnover practically every traction issue appreciated from one to several points in price. The drive was the more spectacular in view of the very conservative regard in which these stocks have been held for many months past, and this week's development is an indication that better things are looked for from the public utilities in general in the future. Toronto Railway was an outstanding member of the group and rose to a high of 74 in a large turnover. This movement arose out of the expectation of early and favorable developments in connection with the final "clean-up" of the Mackenzie interests. Brazilian was stronger but did not establish any records for the year. Winnipeg Electric, Twin City, Barcelona, and in fact every member of the group, were the objects of attention this week. At the close, however, there was displayed a weaker tendency in sympathy with the balance of the market list, because of the adverse influence created by the failure of a Montreal brokerage house.

Sentiment in regard to the tractions is bullish. In fact some brokers are strongly recommending tractions to their clients. They claim that their day is at hand. They support their contention by several convincing arguments. During the war and since public utilities have suffered at the hands of the public as a result of the general lack of appreciation of their needs. They are placed in an unfavorable position as a result of the steadily mounting costs of operation, and by the fact that except in rare cases they were unsuccessful in obtaining fare advances. The general public have of late been somewhat more generous in their favors. Evidence of this is contained in the fact that a number of municipalities granted fare increases, as in the case of Twin City, Winnipeg Electric and others.

Then again there is every prospect that the cost of materials and labor will undergo substantial reductions in the near future, and the companies will thus be able to operate at less expense. With higher profits there is, of course, provided the possibility of dividends.

The following table shows the price fluctuations of a number of the more prominent tractions since the beginning of the year:

	Open.	High.	Low.	Pres.
Barcelona	4⅛	5⅞	4⅛	5½
Brazilian	31½	36	31½	34¾
Illinois Tract., com.	12	20½	12	20½
Illinois Tract., pref.	65	71¼	65	71
Porto Rico, com.	37	42½	37	42½
Porto Rico, pref.	65	77	65	77
Quebec Rly.	23½	28¾	22	27½
Toronto Railway	61½	74	61½	72¼
Twin City	44	47	43½	46½
Winnipeg Elec.	39	48	39	47

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NOTICE is hereby given that a Dividend of One and One-half per cent. (1½%) for the Quarter ended January 31st, 1921, on the Paid-up Capital Stock of this Company has been declared, payable on Tuesday, March 1st, 1921, to Shareholders of record on the books of the Company on February 24th, 1921.

R. H. WEBB,
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Montreal, February 15th, 1921.

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INDUSTRIAL MORTGAGE

Satisfactory Report Presented at the Annual Meeting

The year 1920 was a most successful one, judging from the reports received at the thirty-first annual meeting of the Industrial Mortgage & Savings Co. held at Sarnia, the increase in the assets over the previous year being $169,000. At a subsequent meeting of the board, John Cowan, K.C., was appointed president, W. G. Willoughby first vice-president and John Macfarlane second vice-president. The retiring directors were re-elected.

AIR PATROLS TO PROTECT FORESTS

New Brunswick Will Have Up-to-date Fire-fighting Service

By Resident Representative.

ST. JOHN.—It is the intention of the New Brunswick Government to use air patrols for the protection of forests from fires this summer. Premier Foster has announced that provision will be made in the estimates for the employment of three air machines, which will keep a watch over forest districts where there are no elevations permitting a lookout to be kept over considerable areas. The Canada Air Board will probably supply the machines, the province providing for pilots, mechanics and observers. Important as may be the question of reforestation it is even more important to conserve the forest, and it is the opinion of Premier Foster that the air patrols will cost little compared with the destruction from fires, whose ravages might have been confined to a limited area if they had been discovered earlier. Last year it is estimated one fire alone caused damage amounting to well over a million dollars. It is expected that hydroplanes will be used for patrol work, as there are plenty of lakes and rivers in the province which may be used as bases.

TRACTIONS MAKE HEADWAY IN AN EASIER MARKET

Continued from page 1

the members of this group became market leaders on several occasions. There has been a conspicuous improvement in the sentiment on behalf of these securities of late, and a number of brokers are looking for a continuance of the present favorable movement. Public utilities have been adversely affected during the war by the steadily mounting costs of operation together with the fact that they were unable to secure an adequate increase in rates to offset the higher operating costs. A better appreciation of the needs of these companies has developed, and the public is now more lenient in extending their favors. Not only have fare increases placed a number of these companies in a more favorable position, but declining labor and material costs will have a tendency to swell the margin between gross earnings and expenses of operation.

With the exception of this group the general list has not displayed any definite trend. The papers moved down toward the close, partly in sympathy with the depressed tone of the market. The industrials were irregular. The adverse effect of the unfavorable operating conditions encountered during the past year were indicated in the annual reports of two industrials this week, one of which revealed a substantial loss from the year's operations, while the other showed a substantial decline in earnings from the previous year and was forced to pay part of dividends from surplus.

NEW ACCEPTANCE BANK

To Devote Itself to Financing United States Foreign Trade

A new corporation is to be organized in New York under the name of the International Acceptance Bank, Inc., with a fully subscribed capital of $10,000,000 common stock, $250,000 special stock and subscribed surplus of $5,000,000. It will devote itself primarily to financing foreign commerce, mainly by the granting of acceptances.

The new bank has obtained the cooperation and support of some of the oldest and best established banks in Europe. These foreign banks hold approximately one-third of the capital of the new bank.

It is expected that the new bank will control considerable business from the start, as it will take over a part of the organization and the foreign credit business of the First National Corporation, New York, owned by the First National Bank of Boston, and also the foreign exchange department of Huth & Company, of New York.

4-12% EARNED BY LAURENTIDE ON ITS CAPITAL

Returns Denote Improved Position Over the Previous Year

SURPLUS REDUCED

Gross Revenue Over Million Mark for First Time—Assets Slightly Higher—Sales Of Power Increased

An improved position at the close of 1920 is indicated by the annual report of the Laurentide Power Co. During the past year the earnings of this company were at the rate of 4.12 per cent. on its $10,500,000 share capital. The dividend of 4 per cent. was not fully earned in the previous year. For the first time in the company's history the gross revenue exceeded $1,000,000, last year's amounting to, including miscellaneous income, $1,040,887, which compared with $847,845 the preceding year and $870,893 in 1918.

The company's expenses at $174,094 continued to show a decrease, and after this deduction net profits showed an increase for the year of about $100,000 at $866,792.

From this was deducted the usual $375,000 bond interest, plus $59,537 resulting from the adverse exchange rate of American funds, leaving $432,255 applicable to the company's share capitalization.

After taxes and contingent funds a deficit of $16,463 was shown, which reduced the preceding year's surplus of $19,806 to $3,343, which amount now stands at credit of profit and loss.

Following are the earnings statements for the past three years:

	1920	1919	1918
Revenue	$1,033,176	$837,737	$855,045
Misc. do.	7,711	10,108	15,347
Total	$1,040,887	$847,845	$870,393
Expenses	174,094	176,769	183,625
Net	$ 866,792	$671,075	$686,767
Bond int.	375,000	375,000	375,000
Exchange	59,537	12,125	......
Profits	$ 432,255	$283,950	$311,767
Dividends	420,000	420,000	......
Balance	$ 12,255	*$136,050	$311,767
Taxes	8,718	6,564	6,333
Balance	$ 3,537	*$142,614	$305,434
Reserve	20,000	......	200,000
Surplus	*$ 16,463	*$142,614	$105,434
Previous	19,806	162,420	56,986
Present	$ 3,343	$ 19,806	$162,420

*Deficit.

Balance Sheet

The balance sheet shows valuation of property at $18,886,435, up about $400,000, with a similar increase in total assets at $19,272,683.

Among the assets a cash item of $198,260 the preceding year has been replaced by a bank overdraft among the liabilities of $215,347. A sinking fund investment of $153,803 makes its appearance among the assets; other investments have been increased $40,000 to $100,000, and accounts payable are up about $180,000 at $530,189. There are few other changes of note.

In his report to shareholders President J. E. Aldred said:

The company's gross income was increased very materially by increased sales of power on July 1st, 1920, which, however, only added to the company's income during six months.

Unexpected expenditures had to be made during the year by the payment of heavy exchange rates on the bond interest payable in New York.

No serious accidents and no abnormal occurrences took place in the operation of the company's plant during the year.

Steady progress has been made in the extension of the power plant, and while this work has been somewhat delayed, it is expected that before July 1st of this year the two additional units will be in operation. This will bring the total capacity of your company's plant up to 165,000 horsepower.

Legislation to legalize the postponement of maturities is being sought from the provincial house.

UNLISTED SECURITIES

	Bid.	Asked
Alberta Pac. Grain, com.	135	..
Do., pref.	76½	86
Belding Paul, com.	..	37
Do., pref.	74	..
Brandram-Henderson, com	54	60
British Amer. Assur.	8	12
Can. Machinery, pref.	50	60
Can. Marconi, com.	..	2¼
Canadian Oil, com.	60	68
Can. Westinghouse	102	110
Cockshutt Plow, pref.	58	64
Can. Woolens, pref.	60	73
Crown Life Ins.	70	90
Dom. P. & Trans., com.	37	40
Do., pref.	83	88
Dunlop Tire, pref.	88	92
Home Bank	99½	103½
Goodyear Tire, pref.	65	75
Loew's Hamilton	..	115
Do., pref.	..	85
Toronto Loew's, pref.	..	82
Mattagami Pulp, pref.	65	74
Do., com.	..	25
Mercantile Trust	90	100
Manufacturers' Life	170	200
Murray-Kay, pref.	61	68
National Life	150	..
North Amer. Pulp	5½	5½
Riordon, com. (new stock)	24	28
Do., pref. (new stock)	78	83
Sterling Coal, com.	19	23
Robt. Simpson, pref.	77	81
Sterling Bank	107	115
Trusts & Guarantee	70	77
United Cigar, com.	.40	..
United Cigar Stores, pref.	1¾	2¼
Western Grocers, pref.	65	..
West. Can. Pulp	..	20
Western Assurance	10	12
Whalen Pulp, com.	16½	20
Do., pref.	43	..
Can. Mortgage	65	72
Eastern Theatres	12	16
Massey-Harris	..	98
Peoples Loan	..	70
Gunns, Ltd., pref.	..	78
Loew's Ottawa, com.	..	10½
Merchants Fire	32	..
North Star Oil, com.	4½	5

UNLISTED BONDS

P. Burns, 1st Mort., 6s	91	99
Can. Machinery, 6s	..	80
Collingwood Ship, 6s	89	..
Dunlop Tire, bonds, 6s	90	97½
Eastern Car, 6s	83	90
Harris Abattoir, 6s	89	95
Wm. Davies, 6s	90	98½
N.S. Steel, dbs., 6s	9	81½
Mex. Nor. Power, 5s	9	12½
John Morrow Screw, 6s	84	88
Ontario Pulp, 6s	93	96½
Toronto Power, 1924, 5s	84	90
King Edward Hotel, 7s	73½	78

DULUTH-SUPERIOR

Earnings of the Duluth-Superior Traction Company for the first week of February totalled $35,256 as compared with $33,583 for the corresponding period in 1920, an increase of $1,673 or 5 per cent. For the year to date the earnings amounted to $191,006, a decrease of $9,058 or 4.5 per cent.

59 Millions—

THIS is the number of passengers WINNIPEG ELECTRIC RAILWAY COMPANY carried for the first 11 months of 1920 on its street railway lines.

The earnings for this period show a 50.60% increase over the same period of 1919.

We believe the securities of Winnipeg Electric Railway Company offer great investment possibilities.

Write for our analysis of Winnipeg Electric Railway Company.

NESBITT, THOMSON
and Company, Limited
Bank of Hamilton Bldg., TORONTO
Montreal Hamilton London

THE STANDARD BANK OF CANADA

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 23rd of February next, at 12 o'clock noon.

By order of the Board.
C. H. EASSON,
General Manager.

The Forty-Sixth Annual Report of

The London Life Insurance Company

Insurance Issued, $31,826,696. (A gain of $7,007,920)

Insurance in Force, $[illegible] (A gain of $20,218,4[illegible])

Surplus on Basis Dominion Government Standard, $1,[illegible] (A gain of $297,557)

PROFIT SCALE MAINTAINED

Items From Report

	1915	1920	Increase in 5 Years
Income	$ 1,666,122	$ 4,196,385	$ [illegible]
Assets	6,075,323	13,105,083	[illegible]
Surplus (including Paid Capital $75,000), Standard of Dominion Insurance Act	753,625	1,453,455	[illegible]
Insurance issued	11,060,512	31,826,696	20,[illegible]
Insurance in force	34,820,328	96,600,075	61,[illegible]

THE LONDON LIFE AND THE PUBLIC

The 1920 Report is of extreme interest to the Company's thousands of policyholders and those contemplating new Insurance. It indicates the solid foundation on which the business of the Company has been built and the strong position of the Company to render future service.

The Company's record in increasing the scale of profits to Policyholders during the war period and maintaining that high scale during the period of the influenza epidemics is indisputable evidence of its financial strength.

The fact that its actual distribution of profits to Policyholders exceeds the original estimates under present rates by from 50% to 100% is striking evidence of its determination to deal fairly with the public.

Statement Showing Company's Progress

Year	Income	Assets	New Business	Business in Force
1900	$ 297,249	$ 1,005,110	$ 1,348,981	$ 6,100,5[illegible]
1905	475,015	1,866,425	2,360,906	9,102,751
1910	842,093	3,255,950	6,180,141	16,795,3[illegible]
1915	1,666,122	6,075,323	11,060,512	34,820,327
1920	**4,217,693**	**13,105,083**	**31,826,696**	**96,600,075**

A more detailed Statement of the Annual Report will be mailed to every Policyholder in due course and to others upon request.

At a meeting of the Board of Directors held subsequent to the Annual Meeting, Mr. John McClary was elected Honorary President; Dr. A. O. Jeffery, K.C., President, and Messrs. W. M. Spencer [illegible] and J. G. Richter, Vice-Presidents.

BIG BONUS TO WORKERS

According to a Boston report the Endicott-Johnson Corporation will pay bonus of $45.45 to each of 11,143 employees, under its profit-sharing plan by which surplus earnings after 7 per cent. dividends on preferred and 10 per cent. on common are split 50-50 between employees and [illegible] stockholders.

Bonus to employees will [illegible] $506,449. Whether it will take [illegible] of cash or stock, or part [illegible] part stock similar to plan [illegible] has not been determined. [illegible] 10,917 employees participat[illegible] amounting to $239.90 each.

Oils, Industrial, Mining *and* Curb Securities

are covered most thoroughly and comprehensively in the

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which has been issued every Friday since 1903.

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Price 99 and Accrued Interest. To yield 8.10%.

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Our latest folder is a useful guide to the investor in Government and Municipal Bonds. Write for it.

Bond Department

CANADA TRUST Co.
14 King St. E. Toronto

DRASTIC FALL IN PROFIT SHOWN BY WOODS COMPANY

Deficit From Year's Operations Amounts to $412,324 at Close

SURPLUS REDUCED

Dividends Are Paid Out of Surplus Account—Company Affected by High Costs and Adverse Business Condition

The Woods Manufacturing Company, Limited, suffered drastically during the year 1920 from the unprecedented costs of materials and operation together with the adverse developments in business toward the end of the year. As a result the financial statement shows a large deficit at the close of the year, in contrast to the substantial profits maintained during the past two or three years. In addition there have been inroads upon the company's surplus in order to make up this deficit and to provide for dividends on the preferred and common stocks which have been maintained notwithstanding the unfavorable turn of events, and the surplus account has accordingly been materially reduced.

The year closes with a deficit from operations amounting to $412,324. This with further provision for depreciation to the extent of $123,158, for interest of $23,850, less $12,596 as profit from the sale of Winnipeg property, brings the deficit up to $546,735.

A year ago the situation was just the reverse. In 1919 a profit of $639,812, after deduction of depreciation and taxes, was shown, while net income before dividends was $614,162. In that year surplus account was increased from $1,091,439 to $1,385,664.

In the 1920 profit and loss account there are also deducted dividends paid out of surplus balance as at December 31, 1916, that on the preferred stock being $108,255, and dividends and bonus on common stock amounting to $214,825, or a total deduction on this account of $323,080, and reducing surplus account to $515,848, which balance is carried forward to the current year.

Heavier charges during the year were probably one of the most important handicaps faced by this company. This is indicated through a lowering of the working capital position of the company, this falling from $2,201,165 in the previous year to $1,403,106 at the end of 1920. Current assets at the end of the year amounted to $3,232,497 as compared with $5,150,317 for the previous year, and current liabilities to $1,829,391, as against $2,949,152 for 1919. The balance sheet indicates a decline in inventories from $3,661,090 to $2,182,329, while accounts receivable are up from $582,545 to $1,017,634.

The following is a comparison of the profit and loss account for the last three years:

	1920.	1919.	1918
Net profits	*$412,324	$630,812	$842,200
Less war taxes	......	......	200,000
	*$412,324	$630,812	$642,200
Int. on bonds	23,850	25,650	27,450
Patr. Fund, etc.	......	5,500	12,375
Depreciation	123,151	......	......
Balance	*$559,332	$608,662	$602,375
Proceeds from sale	12,596	......	......
	$546,735	$608,662	$602,375
Pref. div.	108,255	108,255	108,255
Com. div.	214,825	206,232	206,221
	*$869,815	$294,175	$287,888
Pres. surplus	$1,385,664	1,091,439	1,003,539
	$515,849	$1,385,614	$1,291,439

*Deficit.

RAILROAD EARNINGS

For the first week of February earnings of the Canadian Pacific Railway totalled $3,370,000 as compared with $3,288,000 for the corresponding period in 1920, an increase of $82,000 or 2.5 per cent.

Earnings of the Canadian National Railways amounted to $2,174,009, an increase of $628,536 or 40.6 per cent.

The Grand Trunk Railway reports earnings of $2,038,601, an increase of $453,050 or 28.5 per cent.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the first week of February amounting to 7,453 tons, while from January 1 to February 7 the receipts totalled 40,528 tons.

BRITISH COLUMBIA ELECTRIC

Must Retain Six-Cent Fare Unless Wages Are Cut

Discussing the affairs of the British Columbia Electric Railway before the Vancouver city council some days ago, Manager George Kidd stated that it was impossible for this company to operate on less than a six-cent fare under present conditions. The fare was raised, he pointed out, to pay increased wages, and would have to be retained unless wages were cut. Additional capital to enable the company to keep pace with the growth of the city could not be raised, he asserted, until the fare question was definitely settled. These considerations had prompted the British Columbia Electric to take steps to have the company placed permanently under the Dominion Railway Commission. This would be accomplished by having the Vancouver, Fraser Valley & Southern Railway, a subsidiary with a Dominion charter, purchase the parent company.

NEW PULP MILL TO BENEFIT THE WEST

Ottawa Taking a Paternal Attitude Towards the Western Publishers

By Resident Representative.

OTTAWA.—In view of the extremely acute situation which was experienced during the greater part of last year by reason of newsprint shortage, great importance will be attached to an order in council just passed by the federal Government which it is expected will result in the construction in the near future of a large pulp and paper mill in Western Canada.

This order in council provides for offering for sale a large pulpwood berth covering Dominion and school lands east of Lake Winnipeg. This berth will consist of two blocks comprising a total available area estimated at approximately 718 square miles.

Certain very important conditions are stipulated and the successful bidder will be required to enter into an agreement to erect a pulp and paper mill costing not less than $1,000,000 with an output not less than 100 tons of pulp daily. At least 50 per cent. of this pulp must be manufactured into paper at the same plant. The balance of the pulp the operator may dispose of by export, if, in the opinion of the minister, it is not required to supply the local market of Manitoba, Saskatchewan and Alberta.

The mill must be in active operation within three years from the date of the agreement, and the sum of $200,000 must be expended during the first year. Permission to cut pulpwood will not be granted until the expenditure required for the first year is made. Before entering into this agreement the purchaser will also be required to furnish a bond for the sum of $75,000 as a guarantee that the various conditions will be carried out.

In the event of the berth being sold at auction the bidder will be required to state the amount per cord he is prepared to pay as a bonus on spruce pulpwood in addition to the regular dues of 80 cents per cord, and the amount offered shall be the basis of the competition. Should the berth be disposed of by tender, the same conditions apply. In either case the purchaser will also be required to pay 40 cents per cord on any pulpwood cut of other than spruce timber.

LOAN COMPANY INSPECTION

Reported Dominion Government Will Consider Plan

OTTAWA.—It is understood that legislation is contemplated for the present session of Parliament which will provide Government inspection for investment, loan and trust companies on the same basis as insurance companies are now inspected. This will mean the amending of two acts, those respecting loan and trust companies. Little opposition to the proposed bill is anticipated from the loan and trust companies now operating in the Dominion.

DIVIDEND PAYMENTS

Company.	Date.	Rate.	Record
Hollinger	Feb. 25	1	Feb. 10
Penmans, com.	Feb. 28	*2	Feb. 16
Crow's Nest Coal	Mar. 1	1½	Feb. 12
Detroit Rly.	Mar. 1	2	Feb. 12
Bk. Hochelaga	Mar. 1	2½	Feb. 15
B. C. Fishing	Feb. 21	1½	Feb. 10
Bk. Toronto	Mar. 1	3	Feb. 9
Bk. Montreal	Mar. 1	3	Jan. 31
Home Bank	Mar. 1	1¾	Feb. 14
Bk. Commerce	Mar. 1	3	Feb. 13
Bk. Hamilton	Mar. 1	3½	Feb. 15
Can. Fund., pref.	Mar. 1	1¾	Feb. 17
Royal Bank	Mar. 1	3	Feb. 15
Ogilvie, pref.	Mar. 1	1¾	Feb. 22
S.P. Rly., pref.	Apr. 1	2	Mar. 1
Do., com.	Apr. 1	2½	Mar. 1
Dom. Iron, pfd.	Apr. 1	1¾	Mar. 15
Dom. Steel	Apr. 1	1½	Mar. 5

*Bonus.

GROSS RECEIPTS OF MACKAY CO.'S SLIGHTLY LOWER

Company's Position Continues To Be One of Great Strength

OUTLOOK BRIGHT

Look for Continuance of Heavy Cable Business—Efficiency of Service Improved—Extend 'Phone Service in South

The balance sheet of the Mackay Companies, issued this week, as usual avoids details in connection with the company's position and is a bare summary only. The report for the year ending December 31 last indicates that the income of this company, which is obtained from investments in other companies, is down somewhat from the return for the previous year, but we are assured by President C. H. Mackay the company's position is very satisfactory. The income for the year amounts to $4,869,988, in comparison with $5,021,094 for the previous period. During the year the sum of $4,230,336 was applied on dividends on the preferred and common stock of the company; $535,400 was disbursed to cover operating expenses, federal income taxes, etc., leaving a balance of $103,251. This compares with $20,223 a year ago. The position of the company shows improvement. Investments are practically unchanged, standing at $93,298,878 in comparison with $93,284,192; cash amounts to $129,147 against $30,581. No change is reported in the outstanding stock. The surplus stands at $2,047,626, compared with $1,944,374 at the close of the previous year. The comparative table of assets and liabilities is as follows:

Assets	1920	1919
Investments	$93,298,878	$93,284,192
Cash	129,147	30,581
	$93,428,026	$83,324,774
Liabilities		
Pref. shares	$50,000,000	$50,000,000
Com. shares	41,380,400	41,380,400
Surplus	2,047,626	1,944,374
	$93,428,026	$93,324,774

Higher Telegraph Rates

President Mackay, in commenting upon the company's position, points out that during the year the cable system was maintained in excellent condition, and transmitted a volume of traffic greatly in excess of any pre-war year, and the prospects for a continuance of a heavy volume of cable business seemed assured. The efficiency of the cables had been increased during the year with the result that London had been brought into communication with New York without relays and without the sacrifice of any of the advantages of the old method of operation, and with the very distinct advantages of the new. The land line system, he added, had also experienced a satisfactory year but the rising tide of increasing expenses necessitated the increasing of the rates for full paid telegrams by 20 per cent. on December 1 last. Simultaneously an advance of 10 per cent. was made in the wages of all employees.

The Mackay Companies have continued to purchase in the market their own preferred shares, and a substantial number are now in the treasury. Commercial cable debenture stock has also been bought at attractive prices in London. Apart from these purchases, the reserves of the companies are invested in the bonds of the United States, British, French and Canadian Governments, as well as bonds of American municipalities and railroad companies.

Mention is made of development of long distance telephone service, principally in the south, southwest and on the Pacific coast. The extension of the telephone service has been made without the stringing of new wires through the using of wires simultaneously for telegraph and telephone traffic. This gives the companies an advantage over other telephone companies. A higher rate has also been secured temporarily for cables from France to the United States.

It is now sixteen years, the president adds, since the outstanding common shares have been increased and fourteen years since the outstanding preferred shares have been increased. The income of the subordinate companies of the Mackay Companies is greater than is required to meet the dividends on the Mackay Companies, but its policy is to obtain from these only sufficient funds to meet dividends. All surplus earnings are left in the treasuries of the subordinate companies for extensions and the development of the business and the increase of reserves.

The Wabasso Cotton Company, Limited

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Joint General Managers, R. S. HUDSON, JOHN MASSEY.
Assistant General Manager, GEORGE H. SMITH.

Paid-up Capital .... $ 6,000,000.00
Reserve Fund (earned) 6,000,000.00
Investments 33,065,554.15

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PROTECTION OF SECURITIES

A box in our safety deposit vaults is the best insurance against loss of your securities, jewellery and valuables, papers by fire or burglary. We invite you to call on us, so that we may shew the facilities which we offer to those desiring to rent Safety Deposit Boxes. 130

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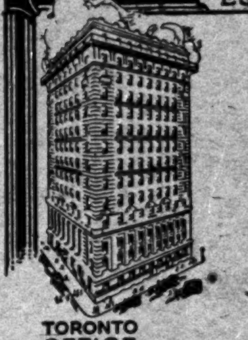
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Improved Position Due to Fare Increases Allowed During The Year

BEST SINCE 1914

Advance in Operating Costs Offset by Higher Fares—Makes Improvements—New Stock Issue

Notwithstanding the fact that public utilities generally were oppressed throughout the greater part of the past year by steadily rising operating costs, the report of the Winnipeg Electric Railway Company shows a decided improvement in net earnings for the year ending December 31 last as compared with the previous twelve-month period. This increase is mainly due to the fare increase granted upon the company's appeal by the Pubic Utilities Board of Winnipeg, the higher fare prevailing during the later months.

The company's gross income at the close of the year amounted to $5,233,700 as compared with $4,284,479 for the previous year. This increase in earnings was more than sufficient to offset the advance in operating costs, which amounted to $3,428,897 for 1920, as compared with $3,019,495 for the previous year. Net income after such charges as interest, city percentages, taxes, miscellaneous and non-operating expenses amounted to $796,575, a gain of approximately $500,000 over the returns of the previous year. In view of this showing the statement was the best submitted to shareholders since 1914. The following is a comparative table showing distribution of earnings for the past three years:

	1920	1919	1918
Gross	$5,233,700	$4,284,479	$3,588,723
Expenses	3,428,897	3,019,495	2,412,226
Net Op. Rev..	$1,804,803	$1,264,984	$1,176,497
Miscell. inc. .	76,700	58,639	44,931
Income	$1,881,502	$1,323,623	$1,221,428
Interest	716,214	696,490	668,342
Ext. of disc..	26,786	36,672	16,255
Perct. & Tax.	308,488	273,156	229,437
Other charges	33,437	37,672	16,255
	$1,084,928	$1,025,768	$ 931,643
*Net income.	796,575	297,856	289,785

*Excluding depreciation.

Faced Many Obstacles

President Sir Augustus Nanton calls attention in his report to the obstaeles and difficulties which the company faced during the year. The year 1920, he points out, began with prices of commodities and labor climbing upward at a rapid rate, and the first half of the year elapsed before there appeared any sign that the peak had been reached. In July, he adds, a board of arbitration awarded an increase of wages to the company's employees, such increase being made retroactive to May 1. The increased fares and rates authorized by the Public Utilities Commission, he added, assisted in offsetting the increased operating expenses which had resulted from the rising costs of material and labor.

During the year the company suffered from fire, the south Main Street car barn together with 21 cars having been destroyed by fire in April last. A new fireproof, fully modern car house has been erected on the site of the old one, and the rolling stock has been replaced.

The president proceeds as follows:

The company has continued making extensive improvements in all departments, and in that connection has expended during the year more than $900,000. This includes replacing property destroyed by fire. For the purpose of retiring as far as possible the company's floating liabilities a new issue of preferred and common shares was authorized, which stock, it is expected, will all shortly be disposed of.

The company has continued its policy of providing the public with adequate service, and seeks to establish and maintain good relations with the public, realizing that the welfare of your utilities is a matter of public consequence, which policy we believe has met with a marked degree of success.

A DEMAND FOR FORDS

NEW YORK.—New York branch of Ford Motor Co., whose territory takes in New York, Connecticut and parts of New Jersey, reports business is exceptionally good. Since August 1, 1920, the beginning of the company's fiscal year, business in this district is from $2,500,000 to $3,000,000 ahead of the corresponding period in the previous year.

A billion dollar program of highway improvement was urged at the convention of the American Road Builders' Association at Chicago. Immediate action on the program, it was declared, would give employment to 3,500,000 idle men.

EXCHANGE SEAT SOLD

Mara, McCarthy Co. Join Toronto Stock Exchange

It is announced that the firm of Mara, McCarthy Co., Ltd., has purchased a seat on the Toronto Stock Exchange, and that W. Harold Mara will be proposed as a member of the exchange to represent the firm. The seat was purchased in December last by S. B. Playfair from F. J. Stewart. Mr. Mara is at present a member of the firm of Michie, Mara & Co., of Montreal. His partner, Leigh McCarthy, is a son of Judge McCarthy, of Orangeville, Ont. He was former assistant general manager of the Northern Crown Bank at Winnipeg. On his return from overseas he joined the Royal Bank and became supervisor of Ontario branches.

SPANISH RIVER CO ENTERS LEGAL ACTION

Against Timber Judges Conducting Investigation—Probe is Adjourned

A sensational turn to the Riddell-Latchford timber investigation developed this week when a writ was filed at Osgoode Hall, Toronto, by certain representatives acting on behalf of the Spanish River Pulp & Paper Mills, Limited, against Hon. W. R. Riddell and Hon. F. R. Latchford, alleging that the commissioners were exceeding their legal authority in connection with certain phases of the investigation. Of late the inquiry has centred chiefly about the affairs of the paper company, and the counsel for the company has taken exception to the limits to which the inquiry has proceeded. Pending a hearing and judgment upon the charge of the Spanish River Company the timber investigation has been postponed. The plaintiffs in their charge claim a declaration that the defendants were professing to act as commissioners without the lawful authority; that they were endeavoring to investigate matters relating to the business and affairs of the plaintiffs without jurisdiction, and that it was beyond the jurisdiction and irrelevant to the purpose of the commission to require the individual plaintiffs to attend as witnesses and produce the papers and documents set out in subpoenas and documents.

The writ was issued by Col. Thomas Gibson, solicitor to the plaintiffs.

REFINANCING PLANS FOR GOODYEAR TIRE

American Firm in Difficulties—Fate in Hands of Merchandise Creditors

The financial affairs of the American firm, Goodyear Tire & Rubber Company, with head office at Akron, Ohio, which has been in difficulty for some little time following the slump in the tire trade, is now rapidly approaching a crisis. The fate of the company appears to rest in the hands of the merchandise creditors, who have been asked to approve a plan for readjusting the company's debt and capitalization. The plan calls for the issuance of approximately $25,000,000 first mortgage, 20-year, 8 per cent. sinking fund bonds, $25,000,000 10-year, 8 per cent. sinking fund debentures and $35,000,000 prior preference stock.

A statement issued by counsel for the company indicates that the proceeds of the sale of bonds and debentures will be used to pay off the bank debt, and general creditors will receive preference stock for existing debts and in part payment for future deliveries of material.

When the merchandise creditors committee was appointed late in December of last year a receivership seemed inevitable. After a thorough canvass of the situation the committee is advised that the present plan is the only available method of avoiding a receivership, and that a receivership would cause great delay, and hold out no promise of as favorable an outcome for the creditors. The results of the present negotiations shoud be known in about three weeks.

While the American company is a large stockholder in the Canadian company having a similar name, and controls certain patent rights, the management and control of the two companies is separate and distinct.

KING EDWARD HOTEL

An offering of $850,000 8 per cent. cumulative preferred shares and $250,000 10 per cent. common shares of the King Edward Construction Company, Ltd., is announced by W. A. Mackenzie & Co. This company was organized for the purpose of securing the land and building thereon the addition to the King Edward Hotel, which is now being constructed.

APPLY TO ACQUIRE HOLDINGS OF B.C. ELECTRIC RAILWAY

Vancouver Fraser Valley Ry. Advertises Application to Negotiate Transfer

SECURE MORE FUNDS

B.C. Electric Officials Refuse to Discuss Matter—Would Pass Under Federal Control

VICTORIA.—Considerable interest has been aroused in the reported intention of the Vancouver, Fraser Valley & Southern Railway Company to take over the holdings of the British Columbia Electric Railway. The company is now advertising the application to the Dominion Government, entitling it to negotiate the transfer.

Officials of the British Columbia Electric Railway have so far declined to discuss the matter, but the question is already before the Union of British Columbia Municipalities, which takes a special interest in the transaction by reason of the fact that, if it is consummated, the control of the electric light and street railway and power systems of the several cities served by the company will pass from the provincial to the Federal authorities.

The motive behind the reported transfer is said to be the desire of the company to secure additional funds for development purposes and to introduce more Canadian capital into the company. A large proportion of the stock of the British Columbia Electric is now held in the Old Country, and investment is discouraged by the triple income tax on all dividends. It is said that this triple tax would be eliminated if the Vancouver, Fraser Valley & Southern Railway assumed control.

The railway's intentions are explained in the advertisement of its application to the Dominion Parliament, which is as follows:

"To enable the company to extend the lines of railway, street railway and tramway, or light, heat and power systems now owned or to be acquired as aforesaid by it beyond the limits of the Province of British Columbia into the State of Washington; and for a declaration that the railways, street railways, tramways, or light, heat and power systems to be acquired shall be declared to be for the general advantage of Canada; and to enable it to increase its capital; and to enable it to change its name; and to enable it to alter its borrowing powers; and to amend sections of the Act of Incorporation relating to the purchase and disposal of power, and to enable it to pay for the railways, street railways, tramways, and light, heat and power systems to be acquired by it by shares in the company; and to enable it to sell all or any part of its undertaking; and for such other powers as may be necessary or incidental to the above."

WOOLWORTH'S YEAR

Most Prosperous in the History of the Company

NEW YORK.—The year 1920 was the most prosperous in the history of F. W. Woolworth Company. Sales and profits established a new high record and working capital at the close of the year, after drastic reductions in inventory values, was the largest thus far.

Contrasted with the statements of other merchandising organizations, the Woolworth report makes a strong presentation. The success of merchandising companies last year was measured largely by the foresight used in anticipating slowing down in business and lower levels in commodity prices.

With the Woolworth company there was no slackening in sales. But from the first of August to the middle of December purchases of merchandise, except seasonal goods such as Christmas merchandise, were virtually stopped. The result was that the end of the year found inventories, including $586,288 of goods in transit, being carried at $18,500,000 which was about $1,250,000 greater than December 31, 1919, a normal increase to take care of new stores.

PROFIT ON GILLETTES

An Increase of Nearly $800,000 Over Last Year

By Special Representative.

BOSTON.—The Gillette Safety Razor Co. annual report for the fiscal year ended December 31, 1920, shows net earnings, including subsidiaries, without reserve for taxes, of $6,803,407 compared with $6,025,350 in 1919, $5,252,136 in 1918, and $4,603,782 in 1917. On the 250,000 shares of stock oustanding the 1920 earnings were equal to $27.21 a share, against $24.10 a share in 1919.

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$3,000—Province of Ontario 6% Bonds, due 1st December 1935. Interest (1st June and 1st December), at 100 . . 6.00%

$30,000—Province of Saskatchewan 6% Bonds, due 1st February 1936. Interest (1st February and 1st August), at 99 . . . . 6.10%

$10,000 — City of Winnipeg 6% Bonds, due 2nd August 1940. Interest (2nd February and 2nd August, at [illegible] . . . 6.10%

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NEX RECORD OF PRODUCTION BY HOLLINGER, LTD.

Income is $7,162,611 Compared With $7,063,099 For Previous Year

ORE RESERVES GROW

President Outlines Dividend Situation—Power Shortage Makes Future Uncertain—Adequate Supply Labor

The statement of the Hollinger Consolidated Gold Mines, Limited, submitted to shareholders a few days ago, reflects in some measure the importance of the mining industry to this province and the Dominion as a whole. It indicates, too, the aggressiveness with which the management have continued operations in the face of adverse factors which were faced practically throughout the year. Despite the fact that the company suffered from abnormal labor conditions the value of the output for the year was the highest on record, standing at $6,939,628, compared with $6,722,266 for the previous year, the former high record of production. Other additional receipts brought the total income up to $7,162,611 against $7,063,099. After providing for depreciation and other charges there remained a balance of $2,675,274, compared with $2,321,290. The sum of $2,214,000 was disbursed in dividends compared with $1,722,000 during the previous year. The surplus for the year stood at $461,274, which together with the balance from the previous year of $2,670,577, brings the balance to be carried forward at $3,131,851. The following table shows distribution of income for past two years:

Production	$6,939,628	$6,722,266
Other Receipts	222,982	340,833
Total Income	$7,162,611	$7,063,099
Charges	3,144,328	3,222,617
Operating profit ...	$4,018,282	$3,840,482
Taxes	225,940	286,373
Depreciation	445,985	600,000
Written off	669,122	629,872
Donations	1,959	2,947
Net profit	$2,675,274	$2,321,290
Dividends	2,214,000	1,722,000
Surplus for year .	$ 461,274	$ 599,290
Previous balance ...	2,670,577	2,071,287
Surplus	$3,131,851	$2,670,577

Adverse labor conditions continued throughout the greater part of the year. The average number of men employed was 1,025 as compared with 1,207 in 1919. The shortage curtailed such development work as shaft sinking, cross-cutting and drifting. Two advances in wages of 50 cents each were made, and the eight-hour day was inaugurated. The decreased labor supply necessitated the milling of better grade ore than a normal programme would have determined. The net yield for the year was $9.56 as compared with $9.40 for 1919. The failure of the power supply in the later months of the year necessitated a large increase in coal stocks.

Dividend Outlook

President N. A. Timmins, in the report, states that following the company's policy to pay dividends as frequently as the financial position of the company warranted, during the past year nine dividends of 1 per cent. each were paid. To date this year two further dividends of 1 per cent. each have been declared. He continued as follows:

> Until the shortage of power arose we had hoped to be able to announce definitely the resumption of four-weekly dividends of 1 per cent., and we still think that the shareholders may reasonably look forward to regular dividends at this rate provided the power situation does not become worse and no other unforeseen difficulties arise. The return of 9 per cent. to shareholders during the past year includes 4 1-2 per cent. return of capital because the gold taken from the ore is not replaced by anything and the total value of the property is thereby reduced by that amount. Comparing mining with other forms of industry the shareholder should always bear in mind that the amount of his raw material is limited and the capital value of his property is yearly being diminished. Therefore it is essential that a part of his dividend should be applied to the amortization of the capital represented by his shares.

Current assets have increased from $3,602,554. to $5,206,257. Bullion assets have declined from $550,136 to $283,131 and capital assets from $23,491,702 to $22,690,246. Ore reserves show a still further increase during the year, now standing at $41,719,670 as against $39,928,430 at the close of the previous year.

General Manager A. F. Brigham calls special attention to the power situation and states that the power shortage is going to very seriously interfere with this year's profits by reason of the curtailment of output, and excessive cost of generating power by the inefficient expedient of converted air compressors used as steam engines. A definite assurance of continuous and sufficient power is imperative for the future prosperity of the mine.

INTERNATIONAL NICKEL'S PROFITS

Equal to $1.33 on Common Compared With 3 Cents For Previous Period

The report of earnings of the International Nickel Company for the nine months ended December 31 last shows an improvement compared with the earnings for the corresponding period of the previous year. For the last period net profits after charges and Federal taxes amounted to $2,620,873 equivalent after preferred dividends to $1.33 a share (par $25) earned on the $41,834,600 common stock, as compared with net profits of $1,799,957 or 83 cents a share for the last nine months of 1919. Total earnings for the period amounted to $4,415,000, but after payment of taxes, reserves for depreciation and other items the amount was reduced to $2,620,000, against $1,398,000 last year, or a gain of approximately $800,000. These returns compared with net profits for 1918 of $5,072,458, and for 1917 of $6,589,630.

The surplus at the end of the past year amounted to $2,219,806 compared with $1,398,890 for 1919 and $487,931 for 1919. In 1918 in addition to a disbursement of $401,607 on preferred there was applied on common the sum of $4,183,460.

The balance sheet as at the close of the year shows a rather sharp increase in inventory, that account standing at $11,764,000 as against $7,890,000 at the close of 1919. Cash on hand totalled $1,737,997, as compared with $3,137,000, while the profit and loss surplus aggregated $12,611,040 as compared with $9,579,146 at the end of the previous period.

HERRICK GOLD MINES

Satisfactory Showing From Development Operations—Outlook Bright

The first annual report of the Herrick Gold Mines, Limited, submitted to shareholders recently shows total assets amounting to $1,528,629, which includes mining lands to the value of $1,002,500; plant, $22,241, and discount on shares, $426,000. The authorized capital of this company stands at $2,000,000, of which $1,522,000 is authorized and outstanding.

Managing Director F. C. Sutherland reviews the progress of development during the past year and points out that as a result of the favorable showing obtained the directors felt that they were justified in undertaking energetic development, and a complete mining plant has accordingly been purchased and installed. The difficult development work has been completed and the directors are looking with confidence to the future of this project.

ALBERTA COAL OUTPUT

Large Increase in 1920—Some 10,000 Tons to Ontario

Alberta coal production in 1920 reached a record figure. Shipments for the twelve months will total about 6,650,000 tons, as compared with 5,022,412 for the preceding year. During the eleven months to November 30 last, Manitoba took 516,198 tons of domestic and steam coal, with an additional 1,161 tons of anthracite, as against a total of 314,290 tons in 1919. British Columbia took 108,430 tons of domestic and steam coal, a gain of nearly 20,000 tons over the preceding year. Shipments of 10,688 tons were made to Toronto and other Ontario points, as compared with 208 tons for the year previous.

MINING STOCK QUOTATIONS

Week ending Feb. 15.

	High	Low	Close	Sales
Adanac	2⅛	1⅞	1⅞	18000
Apex	2¼	..	..	3000
Atlas	28½	22	28½	12200
Bailey	3¾	..	..	4750
Beaver	40	38½	40	20150
Cham. Fer. .	8¼	7	8¼	3000
Cons. Smelt.	20½	20	20	1310
Coniagas ...	2.15	2.00	2.15	520
Dome Ext. ..	60	50	60	210
Dome Lake .	3¾	3¼	3¾	14000
Dome Mines	18.25	15.00	18.00	5806
Gold Reef .	3¾	3½	3¾	89900
Hargraves .	1¾	..	..	5000
Hollinger ...	6.98	6.65	6.90	7127
Hunton	11	10¼	10½	6700
Keora	23	16½	20	100150
Kirk. Lake .	55	51½	55	4700
La Rose ...	30	26	30	4750
Lake Shore .	1.22	1.19	1.21	8200
Kerr Lake .	3.10	..	..	10
McKinley ..	29½	..	..	1200
McIntyre ..	2.02	1.86	2.02	17467
Min. Corp. .	1.25	1.04	1.25	1800
Moneta	11	..	..	200
Newray	7½	7	7½	4000
Nipissing ..	9.50	9.00	9.00	360
Ophir	2	1½	2	4100
Pete. Lake .	8½	7	7¾	17200
Porc. Crown	23½	21	23½	3700
Porc. Imp. .	½	..	..	5000
Preston	3½	..	..	6000
Provincial .	36	..	..	500
Schumacher.	26½	25½	26½	15500
Tech-Hughes	11½	10	10½	19000
Timiskaming	27	24	26¾	3500
Thom.-Krist	7¼	7	7¼	10500
Trethewey .	18	16¾	18	4800
V. N. T. ...	22½	19½	22½	32700
West Dome .	9⅛	7	8¼	51550
West Tree .	5⅝	5⅜	5⅜	11000
Skead	52	49	49	750
La Plume ..	3⅛	..	..	10000

WAGE CUT NOW IN EFFECT AT COBALT MINES

But Pay of Gold Miners is Still Comparatively High

ACTIVITY AHEAD

Improved Conditions Will be Reflected in Enlarged Operations—Opposition in North to Higher Taxes

By Resident Representative.

COBALT.—Attention is in a measure focused on the Howery Creek gold mining area which is located near Espanola in the Sudbury mining district. There two excellent companies are carrying on operations. One of them, the Bouquet Gold Mines, is headed by R. R. Toughes. The other is the Howery Creek Gold Mines. Values which they have found on the surface are said to be excellent. On the Howery Creek, besides good gold values, assays are reported to show an average of $18 in platinum and 20 per cent. arsenic content. The plans for mining call for a roasting bed to extract the arsenic and the extracting of the precious metals afterwards by a cyanide process. Both companies are now preparing for an aggressive development programme.

The cut of 75 cents a day or 15 per cent. in the wages of the Cobalt mines is now in effect. The wages in the gold camps are still holding. Nipissing was able to carry on better exploration work in January owing to the improved labor conditions and reports the finding of two new high-grade veins. One of them appears to have importance. The other is rich but spotty.

Schumacher Going Deeper

President F. W. Schumacher of the Schumacher Gold Mine, whose home is in Columbus, Ohio, has been looking over conditions with a view of resuming operations. The property has been standing idle. It will be necessary for the mine to refinance before work starts. The funds are expended and yet when operations are resumed, the directors are convinced that the mine's best chance is by deeper mining. Some time ago a by-law was passed authorizing the disposal of 100,000 shares of stock at a 55 per cent. discount.

From the annual meeting of the Dome Lake at Toronto recently it is clear that there is no intention of reopening the mine for the present. Chairman McKelvey said that until conditions improve reopening was unlikely.

The Hollinger has declared a February dividend and this makes seven straight of 1 per cent. payable in four-week periods. This brings the mine payments to 56.3 per cent. of the outstanding capital or a total of $13,852,000.

The annual report of the Hollinger has just reached the shareholders. The contents are highly favorable and is featured by the statement of President Timmins that the company is now on a regular dividend basis of 13 per cent. yearly.

Another interesting report issued was that of the International Nickel Company for nine months ending with the year 1920. It showed a net profit of $1.33 per share of common stock issued, or a total of $2,620,873, which is an increase of $800,000 over the same period of 1919, when the profits were 83 cents a share. The 1920 period earnings were $4,415,000.

Activity on Tough-Oakes

There are reports that the Tough-Oakes, now controlled by interests in England, may be opened full blast on May 1. The mine has been ready awaiting the order to start for some months now.

Kirkland Lake Gold is now hoisting ore from the 900-foot level. The first ore ran $12.40 and better.

The shares of the Skead Gold Mines have been listed on the Standard Exchange. The company holds about 40 claims in Skead and at present has about 20 men at work.

The mining press of the north is out hammer and tongs after the proposal of the Ontario Government to increase the taxes on the mines. From every nook and corner mining men are being quoted to show that the move of the Drury Government would be detrimental to the best interests of the country.

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And the purchase of such securities at this time affords not only all that is desired in the way of safety, but as well a step toward the **solution of the Housing Problem.**

Banking Service Corporation Limited

EXECUTIVE OFFICES:
UNION BANK BLDG. ADELAIDE 6896.

RYRIE BLDG., TORONTO MONTREAL LONDON HAMILTON KITCHENER BRANTFORD SARNIA WINDSOR

Protect Your Dependents in Your Will

Your solicitor will see that your will exactly expresses your wishes.

By appointing the Chartered Trust and Executor Company your executor your dependents will have the protecting experience, knowledge and efficiency which could not be expected from any individual executor.

Chartered Trust and Executor Company
46 King Street West, Toronto

HON. W. A. CHARLTON, M.P. *President* W. S. MORDEN, K.C. *Vice-President and Estates Manager*
JOHN J. GIBSON *Managing Director*

Is This YOUR Young Man?

There's a young chap in Toronto who firmly believes he would prove a good investment for a growing financial concern or expanding industrial company.

He will bring to this concern a broad, practical experience in result-getting advertising and intensive sales methods. Not a novice; has created and managed large sales campaigns that some have called the best of their kind. Keen on market analyses and methods of reducing selling costs. Certain financial editors consult him regularly regarding advertising campaigns.

He has made a special study of selling by mail—has helped to build up the correspondence departments of several concerns.

Possesses a good working knowledge of finance and commercial law. Has written analyses of Canadian securities for several magazines. Intimate knowledge of office routine and banking. Thinks he has better qualifications than the average, but doesn't know it all.

While in a New York advertising agency he was assistant to chief of research department.

Can sell securities—has been called a fair salesman, but doesn't profess to be [illegible] one. Can do things on his own [illegible] initiative and do a fair percentage of them right. Ample proof of his past work can be produced. Not a job-seeker, for he isn't out of a job. Some concern that wants more business at a reduced overhead needs this chap badly. Could justify his existence in two months.

Is now ready to tackle a red-blooded man's job with promise to it. Willing to work eighteen hours a day—usually works twelve. Doesn't expect to secure an executive position at first, but hopes to merit one later on. Wants to study your business, assimilate your ideas and grow up with you.

Salary unimportant. Age 27. College-bred. Canadian.

Why not get in touch with him? You have everything to gain and nothing to lose. Apply— Box 80, FINANCIAL POST.

Canada Cement Company Limited

Consolidated Balance Sheet, December 31st, 1920

ASSETS

PROPERTY ACCOUNT:				
Land, Buildings, Plant, Equipment, etc., at original cost with subsequent additions, less Depreciation to date				$28,117,575.53
INVESTMENTS:				
Bonds			$ 2,352,128.71	
Stock held in other Companies			393,002.00	
				2,745,130.71
CALL LOANS (secured)				621,000.00
CURRENT ASSETS:				
Inventories			$ 3,746,605.49	
Accounts Receivable (less Bad Debts Reserve)			815,267.45	
Bills Receivable			11,245.30	
Deposits on Tenders			19,041.50	
Cash			69,095.05	
				4,661,254.79
DEFERRED CHARGES TO OPERATIONS				93,325.19
				$36,238,286.22

LIABILITIES

CAPITAL STOCK:				
Authorized—				
Preference—110,000 Shares 7% Cumulative of $100 each			$11,000,000.00	
Ordinary—190,000 Shares of $100 each			19,000,000.00	
			$30,000,000.00	
ISSUED—				
Preference—105,000 Shares 7% Cumulative of $100 each			$10,500,000.00	
Ordinary—135,000 Shares of $100 each			13,500,000.00	
				$24,000,000.00
FIRST MORTGAGE SIX PER CENT. TWENTY YEAR GOLD BONDS:				
Authorized and Issued			$ 8,000,000.00	
Less: Redeemed through Sinking Fund			1,653,739.90	
				6,346,260.10
CURRENT LIABILITIES:				
Accounts Payable			$ 1,949,475.96	
Bank Loan			275,000.00	
Bond Interest Accrued at December 31, 1920			95,193.90	
Preferred Dividend No. 44 payable Feb. 16, 1921			183,750.00	
Ordinary Dividend No. 19 of 1½% paid Jan. 15, 1921			202,500.00	
				2,705 919.86
RESERVES:				
Fire Insurance			$ 1,151,635.77	
Extraordinary Repairs and Renewals			275,000.00	
Cotton Sacks outstanding			150,000.00	
Industrial Accidents			60,500.00	
Contingent Reserve (a portion of which is available for Government Taxes for the years 1919 and 1920)			650,000.00	
				2,287,135.77
SURPLUS:				
Balance December 31, 1919			$ 1,424,857.62	
Income from Operations and Investments for the year 1920		$ 2,362,742.13		
Deduct—				
Depreciation	$ 810,491.32			
Bond Interest	392,621.99			
Fire Insurance (transfer to Reserve Account	140,515.95			
		1,343,629.26		
			1,019,112.87	
			$ 2,443,970.49	
Deduct: Dividends—				
On Preferred Stock		$ 735,000.00		
On Common Stock		810,000.00		
			1,545,000.00	
				898,970.49
				$36,238,286.22

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the Books and Accounts of the Canada Cement Company Limited for the year ending December 31st, 1920, and have obtained all the information and explanations which we required; and we certify that in our opinion the above Balance Sheet at December 31st, 1920, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO., Auditors.

Approved on behalf of the Board:
F. P. JONES, Director.
H. L. DOBLE, Director.

MONEY BANKING AND EXCHANGE

STANDARD BANK CONTINUED ITS STEADY GROWTH

Another Increase in Profits Shown in Annual Report

POSITION IS STRONGER

Increase in Capital Reflected in Increased Holdings of Immediately Available Assets

In the year of the Standard Bank, closing at the end of January rather than the end of December, there are evidences in the standing of the bank's accounts, as shown by the balance sheet, of the influences of deflation after the turn of the year. Current loans show a decline of over $1,500,000 as compared with a year before and public securities are reduced by nearly as much. Demand deposits are lower by $9,700,000, which largely overbalances the substantial increase of $3,000,000 in savings deposits, and this explains the reduction of total assets by about $3,200,000. Loans from the Government to the extent of about $4,500,000 had the effect of helping to maintain available funds and an increase of $1,100,000 in gold reserve and $1,150,000 in bank balances abroad materially strengthened the bank's position as regards immediately available liquid assets. Following are comparative figures from the balance sheet:

	1920.	1919.	Change.
Immediately Available Liquid Assets			
Specie	$ 1,770,638	$ 1,731,285	+$ 39,353
Dom. notes	10,982,189	11,193,838	— 211,649
Note cr. dep.	175,000	175,000	......
Notes, bk.	406,445	424,380	— 17,935
Bk. bal. ab'd	1,980,053	826,225	+ 1,153,828
Cheques	4,230,349	3,633,129	+ 597,220
Gov. secs.	4,469,235	4,145,369	+ 323,866
Gold. res.	2,400,000	3,500,000	— 1,100,000
	$26,413,909	$25,629,226	+$ 784,683
% total assets	29.31	27.44	+ 1.87
% total liab. to public	32.58	30.18	+ 2.40
Other Assets			
Pub. sec.	$ 6,816,973	$ 8,262,810	—$1,445,837
Other sec.	853,307	908,194	— 54,887
Call loans	2,528,164	2,786,957	— 258,793
Current	50,896,884	52,463,279	— 1,566,395
Over debts	105,769	114,673	— 8,904
Lets. of cr.	822,987	1,726,921	— 903,934
[illegible]	[illegible]	[illegible]	[illegible]
Res. estate	[illegible]	[illegible]	[illegible]
Premises	1,593,502	1,385,358	+ 208,144
Other assets	152,484	123,071	+ 29,413
	$63,770,070	$67,776,179	—$4,006,109
Total assets	$90,183,979	$93,405,405	—$3,221,426
Liabilities to Public			
Circulation	$ 6,134,000	$ 6,766,218	—$ 632,218
Dom. deps.	14,377,712	24,078,643	— 9,700,931
Savings	53,011,998	49,940,379	+ 3,071,619
Due banks	1,393,754	1,249,986	+ 143,768
Due else	840,843	972,612	— 131,769
Due Govt.	4,494,000	....	+ 4,494,000
Acceptances	822,987	1,726,921	— 903,934
Bills pay.	....	189,543	— 189,543
Other. liab.	2,253	6,439	— 4,186
	$81,077,547	$84,930,741	—$3,853,194
To Shareholders			
Capital	$ 3,802,001	$ 3,500,000	+$ 302,001
Reserve	4,800,000	4,500,000	+ 300,000
Dividends	125,787	114,127	+ 11,660
Balance	378,644	360,537	+ 18,107
	$ 9,106,432	$ 8,474,664	+$ 631,768
Total liab.	$90,183,979	$93,405,405	—$3,221,426

Satisfactory Profits

A satisfactory showing is made by the profit and loss account, which shows net of $784,369 compared with $776,310 in the previous year and $697,443 in 1918. During the year the capital was enlarged and now stands at $3,802,000 as compared with $3,500,000 in the last statement. The premium on this stock amounted to $226,501, so that after the payment of dividends and making other usual allowances, including $100,000 for premises, $300,000 was added to the reserve, making a total of $4,800,000 as compared with $4,500,000. Following are comparative figures:

	1920.	1919.	1918.
Bal. forward	$ 360,537	$ 227,327	$ 175,216
Net profits	784,369	776,310	697,443
Prem. on stk.	226,501	......	46,710
	$1,371,407	$1,003,637	$919,369
Dividends	$ 492,720	455,000	453,893
Pensions	25,000	25,000	20,000
Tax reserve	40,000	45,000	......
Reserve	300,000	......	......
Tax on circ.	35,044	35,000	34,839
Patriotic	......	8,100	36,600
Prem. on stock.	......	......	46,710
Premises	100,000	75,000	100,000
Balance	378,643	360,537	227,327
	$1,371,407	$1,003,637	$919,369

As the business of the bank has been confined entirely to the Canadian field, it is of special interest to note the steady expansion that has occurred in the general business handled, as well as in the gains reported in the public savings accounts. With the expansion that has occurred in the bank's business, the current loans now stand at $50,896,884, as compared with $33,749,339 at the beginning of the war period. The total assets have gained to $90,183,979, as compared with $53,822,121 five years ago.

Features of the bank's record of the past eight years follow:

Year.	Earnings.	*Rate Rest.	% on Capital	Div.
1920	$784,369	9.11	20.63	14
1919	776,310	9.70	22.17	13
1918	697,443	8.71	19.91	13
1917	649,546	8.21	19.08	13
1916	580,230	7.63	17.59	13
1915	563,401	8.04	18.78	13
1914	621,403	9.22	21.28	13
1913	555,095	9.47	21.16	13

*On capital and rest.

EXCHANGE MARKETS

Display Tendency to Firmness—Sterling Continues Upward

Exchange markets were fairly steady throughout the week. Sterling continued its upward movement, closing at $3.91, or 3¾ points above the opening quotation. Francs displayed a tendency to firmness, while New York funds also moved up, the final quotation at 14 11-16 comparing with 13½ at the outset. The following are the fluctuations in sterling, francs and New York funds:

New York Funds

Feb. 10.—New York funds opened at 13¾ bid, sold at 13½, 13⅝, 13½, 13 7-16 at close.

Feb. 11.—Premium remained steady around 13½ and 13⅝, with a few sales at 13⅝. Closed at 13½.

Feb. 12. — Funds quiet and steady, holding around 13 9-16 up to 13⅝ at close.

Feb. 14.—Quotations for the day 13⅝, 13¾, 13⅞, 14, 13¾, 13⅞ at close.

Feb. 15.—Opened at 13¾ bid, advanced to 13 15-16.

Feb. 16.—Funds opened at 13⅞, moved up to 14 11-16 at close.

Sterling and Francs

	Sterling Demand	Sterling Cables	Francs Demand	Francs Cables
Feb. 10	$3.87½	$3.88¼	13.89	13.87
Feb. 11	3.88⅝	3.89⅛	13.78	13.76
Feb. 14	3.89¾	3.90¼	13.79	13.77
Feb. 15	3.91⅝	3.92⅛	13.57	13.55
Feb. 16	3.91¼	3.92	13.36	13.34

BANK STOCK CHANGES

	Last Feb. 9	Sale Feb. 16	Ch'ge
Commerce	189½	187	— 2½
Dominion	202	201	— 1
Hamilton	184	184	....
Hochelaga	*152½	151	— 1½
Imperial	188½	188	— ½
Merchants	179½	177	— 2½
Molsons	*174	180	+ 6
Montreal	208	209	+ 1
Nova Scotia	260	260	....
Royal	203	200	— 3
Standard	200	200	....
Union	159	159	....

*Last previous sale.

MONTREAL C. & D.'s INCREASED DEPOSITS

A Gain of Over $5,000,000 in Year—Liquid Position Greatly Strengthened

Continued improvements in profits is shown in the annual statement of the Montreal City and District Savings Bank for 1920 which was presented to the shareholders at the annual meeting this week. The net figure of $247,286 compared with $240,590 in 1919 and $234,642 for 1918. Dividends took $247,286 and, after making appropriations for patriotic purposes, the balance was carried forward, increasing the surplus from $280,222 to $323,449. Following are comparative figures for the past three years:

	1920.	1919.	1918.
Net profits	$247,286	$240,590	$234,642
Bal. forward	280,222	243,942	214,023
	$527,508	$484,532	$448,665
Dividends.	199,809	199,210	190,722
Patriotic.	4,250	5,100	14,000
Balance	$323,449	$280,222	$243,942

The bank's liquid position has been greatly strengthened during the year by large investments in Government bonds, the holdings of which were increased by over $2,200,000, while holdings of specie were enlarged by about $1,400,000. Call and short loans were increased by over $525,000 but public securities were lower by over $330,000.

There was an increase of more than $5,000,000 in deposits, an outstanding feature of the report, and this enabled the improvement in liquid position referred to. Other liabilities were reduced $1,170,000. Total assets increased more than $4,000,000 to $49,262,765. Following are comparative figures from the balance sheet:

	1920.	1919.	Change.
Assets			
Specie	$ 8,173,365	$ 6,782,376	+$1,390,989
Govt. bonds	12,941,563	10,719,634	+ 2,221,929
Cl. & sh. lns	10,151,392	9,624,053	+ 527,339
Public sec.	14,570,060	14,903,708	— 333,648
Other sec.	2,396,670	2,310,066	+ 86,604
Bank prem.	900,000	750,000	+ 150,000
Other assets.	129,715	65,014	+ 64,701
	$28,147,837	$27,652,841	+$ 494,996
Total assets.	$49,262,765	$45,154,851	+$4,107,914
Liabilities to the Public			
Due depositors	$45,448,298	$40,213,589	[illegible]
Other liab.	642,447	1,812,470	[illegible]
	$46,090,745	$42,026,059	[illegible]
Liabilities to Shareholders			
Capital	$ 1,498,570	$ 1,498,570	[illegible]
Reserve	1,350,000	1,350,000	[illegible]
Pft. and loss	323,449	280,222	+ [illegible]
	$ 3,172,019	$ 3,128,792	+ [illegible]
Total assets	$49,262,765	$45,154,851	+ [illegible]

The report of the directors states that $25,000 had been subscribed to Montreal universities to be paid in the course of the next five years.

ANOTHER N.D. BANK CLOSES

The Scandinavian-American Bank, largest holder of public fund deposits in the state, has closed.

Directors of the bank said huge withdrawals forced the institution to close temporarily. State examiners immediately started investigation of the books.

NOVA SCOTIA

P. W. Murphy, formerly manager of the branch of the Bank of Nova Scotia at 234 St. James Street, Montreal, has been transferred to the Toronto office as a superintendent of branches.

W. B. Snow, formerly assistant manager at Ottawa, has been transferred to the Montreal branch of the Bank of Nova Scotia as assistant manager.

C. E. Fairweather succeeds Mr. Snow as assistant manager at Ottawa.

Weekly Bank Clearings

(In comparison with same week last year)

Eastern Cities	Feb. 10, 1921	Change	%
Montreal	$ 109,027,316	—$ [illegible]	[illegible]
Toronto	105,128,124	+ [illegible]	[illegible]
Ottawa	7,539,090	— [illegible]	[illegible]
Hamilton	5,323,581	— [illegible]	[illegible]
Quebec	6,425,147	— [illegible]	[illegible]
Halifax	3,635,517	— [illegible]	[illegible]
St. John	2,638,911	— [illegible]	[illegible]
London	3,183,577	— [illegible]	[illegible]
Windsor	2,818,346	+ [illegible]	[illegible]
Brantford	1,106,926	— [illegible]	[illegible]
Kitchener	797,135	— [illegible]	[illegible]
Sherbrooke	949,546	— [illegible]	[illegible]
Peterboro	792,422	— [illegible]	[illegible]
Total East	$ 248,465,581	—$ [illegible]	[illegible]
Moncton	1,148,484		

Western Cities	Feb. 10, 1921	Change	%
Winnipeg	$ 44,069,161	+$ [illegible]	[illegible]
Vancouver	13,753,825	— [illegible]	[illegible]
Calgary	6,153,658	— [illegible]	[illegible]
Edmonton	4,613,333	— [illegible]	[illegible]
Regina	3,500,247	+ [illegible]	[illegible]
Saskatoon	1,751,482	— [illegible]	[illegible]
Moose Jaw	1,273,906	— [illegible]	[illegible]
Fort William	990,299	+ [illegible]	[illegible]
Brandon	628,286	— [illegible]	[illegible]
N. Westminster	547,229	— [illegible]	[illegible]
Lethbridge	570,575	— [illegible]	[illegible]
Medicine Hat	440,872	+ [illegible]	[illegible]
Prince Albert	308,782	— [illegible]	[illegible]
Total West	$ 78,601,214	—$ [illegible]	[illegible]
Grand total	$ 327,066,795	—$ [illegible]	[illegible]
Yr. to date	$2,079,696,937	—$ [illegible]	[illegible]

RSC INVESTMENT-SERVICE

NEW ISSUE

The Spanish River Pulp and Paper Mills, Limited

8% General Mortgage Bonds Series "A"

Dated March 1, 1921 Due March 1, 1941

Plant and Property Valuation $30,000,000, against $13,655,113 of Bonds outstanding including this issue.

Net Liquid Assets over $9,000,000.

Net Earnings fiscal year ended June 30, 1920, available for General Mortgage Bond interest, $2,552,069 — over ten times required amount.

Net Earnings six months ended Dec. 31, 1920, available for General Mortgage Bond interest, $2,500,000 — at rate of twenty times General Mortgage Bond interest.

Price: 99 and interest, to yield 8.10%

We recommend these Bonds as an unusually attractive investment.

Prospectus fully descriptive of the issue will be mailed on request

Royal Securities Corporation LIMITED

Montreal Toronto Halifax St. John Winnipeg
Vancouver New York London, Eng.

NEWS AND VIEWS FOR MANAGERS

BANK INTEREST RATE AS FARMER VIEWS QUESTION

Discussion Taken Up by the Grain Growers' Guide

RATES IN DAKOTA

Must Maintain $200 Balance to Get 2 Per Cent., But Higher Rates Paid on Long Term Deposits

The discussion of bank interest rates, opened some weeks ago in this department by a Western bank manager has been taken up by the Grain Growers' Guide, which believes that when occasion arises the banks will take effective steps to maintain their funds available from savings deposits. In comparison with Canadian rates those paid by the Bank of North Dakota are given. These make it necessary for a steady balance of $500 to be maintained to secure 3 per cent. while 4½ and 5 per cent. are paid on large balances for six months and one year respectively. These latter should be compared with mortgage debentures in this country rather than with current deposits.—J.W.T.

A bank manager, writing in THE FINANCIAL POST, of Toronto, suggests that the Canadian chartered banks should take into consideration the question of raising the rate of interest which they pay on deposits in order to maintain and if possible increase the volume of their savings accounts. It is pointed out by this writer that the public are becoming educated in the matter of investment, and that many people are unwilling to leave their money in the bank at 3 per cent., when they can secure 5 per cent. and upwards, with absolute security, by the purchase of Government bonds. The suggestion is that instead of allowing 3 per cent. on savings accounts, with the checking privilege, the banks should pay 4 per cent. on time deposits for six months or more. While paying a higher rate of interest, the banks under this system would save a considerable amount of administration expense, *and it is possible* that the change would prove advantageous to the banks as well as to depositors who are prepared to leave their money in the bank for a fixed period. On the other hand, however, it is quite possible that the withdrawal of the checking privilege would mean the loss of a considerable number of depositors, who find it a great convenience to be able to write a check occasionally on their savings accounts.

Trust Companies Pay 4 Per Cent.

In the larger towns and cities the banks already have to meet the competition of some of the trust companies which have savings departments and allow interest at 4 per cent., with the privilege of issuing checks.

The importance of the savings department to the chartered banks is indicated by the statement made each month to the Dominion Government by the banks. At the end of October, 1920, the amount on deposit in the banks was $1,958,927,532, of which $1,271,275,751 was in the savings departments and $687,651,781 in current accounts. It is evident that the banks would be seriously restricted in the funds which they would have available for loaning if any considerable proportion of their customers decided to place their savings elsewhere. The banks, consequently, can be depended upon to take whatever steps may be necessary to retain this business, even though an increase in interest rates may be necessary.

Interest Rates in North Dakota

In this connection it is interesting to note the rates of interest allowed by the Bank of North Dakota, which are as follows:

On individual deposits subject to check or payable on demand, on which the balance is not permitted to fall below $200 during the months, two per cent.

On such deposits which do not fall below $300, two and a half per cent.

On such deposits which do not fall below $500, 3 per cent.

On time deposits for six months, four and a half per cent.

On time deposits for 12 months, five per cent.

A six months' time deposit must remain the full six months in order to draw four and a half per cent. interest; a 12-months' time deposit must remain the full 12 months in order to draw the five per cent. rate. If it remains six months or more, and less than 12 months, it will draw the six months' rate, computed for full time of deposit.

All deposits in the Bank of North Dakota are guaranteed in full by the State of North Dakota, the resources of which are estimated at over $2,000,000,000.

INITIATIVE AND MISTAKES

One Leads to the Other—But Never Do It Twice

In giving some advice to junior bank clerks, F. R. Dickinson in the course of an article in The Teller says:

Try to develop initiative. Initiative means doing things without being told. Don't be afraid to make mistakes, but don't make the same mistake twice. Theodore Roosevelt said, "Show me a man who makes no mistakes and I will show you a man who doesn't do anything." A big bank man once said, "I do not want a young man in this bank who always asks advice when he runs up against something new. I like the young man who is not afraid to do things on his own hook. Sometimes he makes mistakes, but he is worth much more to us than the fellow who dares not do anything until he has been told the right way."

TWENTY-FOUR NEW BRANCHES OPENED

Net Gain of Ten for All Canada in Month of January

Returns for the month of January show that the Canadian chartered banks opened twenty-four new branches during that month and closed fourteen, leaving a net gain of ten new branches. The Royal Bank opened seven branches, one of which was in Cuba and one in Jamaica; Hochelaga and Merchants three each; Dominion, Nationale and Nova Scotia two each; Commerce, Montreal, Provincial, Standard and Sterling one each.

Of the branches closed three were by the Merchants; Commerce, Imperial and Union two each, and Dominion, Montreal, Royal, Standard and Toronto one each. Following is a list of the branches opened and closed during the month:

Opened

Commerce—Robson St., Vancouver.
Dominion — East Danforth, Toronto; Eastern Harbor.
Hochelaga — Beloeil; Daaquam, St. Georges de Beauce, Que.
Merchants—Madawaska (sub. to Barrys Bay); Gwynne, Alta. (sub to Wetaskiwin); Victoria, Chinese branch.
Montreal—Walkerville, Ont.
Nationale—Waterville; St. Onesime, Que. (sub. agencies).
Nova Scotia—Glen Robertson, Ont.; Bedford, N.S.
Provincial—Notre Dame de Pierreville, Que. (sub to Pierreville).
Royal—Hamilton, Main and Gage Sts., Hamilton; Port Credit; Toronto, Layton & Danforth; Dauphin, Man.; Jovellanos, Cuba; Montego Bay, Ja.
Standard—Point Anne, Ont.
Sterling—Madawaska, Ont.

Closed

Commerce—Campden (sub agency); Wycoller, Sask.
Dominion—Petersfield, Man. (sub to Selkirk).
Imperial—Bear Lake, Alta.; Griffin Creek, Alta.
Merchants—Adanac, Alta.; Grainger, Alta.; Kirriemuir, Alta.
Montreal—Torquay, Sask.
Royal—Meeting Creek, Alta.
Standard—Orion, Alta.
Toronto—Neelin, Man.
Union—Burritt's Rapids, Ont.; Bateman and Dewar Lake, Sask.

COMMERCE

The Canadian Bank of Commerce has opened a new branch at Port Colborne.

STANDARD

Upon his retirement after forty years' service with the Standard Bank, W. C. Boddy, manager of the Brantford branch, was recently presented with a purse containing nearly $2,000 in gold by the customers of the bank.

IMPERIAL

The Imperial Bank, which has been doing business in temporary quarters at 1246 St. Clair avenue west, for the past two years, has moved into the fine new office at the northwest corner of St. Clair and Boon avenues, which includes a safety deposit box department.

MONTREAL

E. B. Hesson, manager of the Bank of Montreal at Schreiber, Ont., died suddenly on Wednesday.

A. H. Beddome, whose death occurred recently at London, was for the past twenty-six years manager of the Bank of Montreal at that point. Mr. Beddome entered the service of the Bank of Montreal in 1867.

PROVINCIAL

C. I. Coll, lately with the Bank of Commerce, Halifax, has been made assistant manager of the Provincial Bank of Canada, St. John.

George Campeau, formerly with the Home Bank of Canada, and recently Windsor, Ont., manager of the Provincial Bank, has been made inspector for the Maritime provinces, and manager of the Moncton branch of the Provincial.

J. E. St. Andre, formerly Moncton manager of the Provincial Bank, has been transferred to the inspection department, Montreal.

ROYAL

Col. B. M. Green, Chatham manager of the Royal Bank has been appointed assistant manager of a Toronto branch of the bank, and will be succeeded at Chatham by E. Herman, manager of the Elmira branch.

H. P. Strong, accountant of the Moncton branch of the Royal Bank has been transferred to Kingston, Jamaica, as chief accountant. He sailed from New York on the 15th. Before leaving Moncton Mr. Strong was tendered a farewell banquet by the bank's customers.

LARGER VOLUME OF GOODS WOULD HELP DEFLATION

That is if Purchasing Power of People Did Not Increase

GRADUAL PRICE FALL

Margin of Profit Would Be Smaller, But the Increased Turnover Would Largely Make Up for This

By RT.-HON. R. McKENNA,
Chairman Joint City and Midland Bank

It happens very often that good trade leads on to inflation. A period of good trade is one in which prices are tending upwards, and manufacturers, merchants and retail traders are all encouraged by the hope of high profits to buy freely the raw material and finished goods which they require. They buy to sell again in the course of their trade, and their activities speed up the production of commodities and the delivery of the commodities to the consumer. It is not unnatural that the expectation of a high rate of profit should lead to over-trading. The wheels of industry are made to run faster and faster, further recourse is had to the banks, and commodities are produced in greater quantities and at higher prices than the purchasers will be in a position to take and pay for when they are offered for sale. The consequent delay in disposing of the commodities will cause the loans to remain outstanding for a period longer than in the ordinary course of trade and a condition of inflation will arise.

The evil of over-trading is enhanced moreover by the operations of a class of persons who buy to sell again but with no purpose of assisting production. I refer to speculators who, anticipating the demands of the trader or of the public, buy commodities with the intention of withholding them temporarily from the market and selling them later at a profit when the immediate shortage has driven up prices.

Dear Money and Inflation

If we look back over the history of the last century, we shall find that every period of trade prosperity has culminated in over-trading and speculation which have been brought to a close by dear money and a severe restriction of credit. A high bank rate is the obvious and proper instrument for putting an end to inflation due to this cause. Dear money operates quickly, and in a case of this kind prices can be brought down to their former level before there has been any general readjustment on a new level. The remedy is appropriate to a particular evil which is temporary in its nature, and should be strictly confined to the period during which the evil is in existence.

In dealing with inflation of the kind with which we are confronted now, dear money and a rigid restriction of credit, so far from proving an effective means of restoring trade to a wholesome condition, can only aggravate our evils. Both sets of causes inducing inflation may be present at the same time, and when this is the case a policy of dear money may be a choice of the less of two evils; but it must never be left out of sight that the inflation, which I will call speculative inflation, is necessarily only temporary, whereas the inflation which, to distinguish it in its causes from the other, I will call monetary inflation, must be regarded as more or less permanent.

We need to stabilize prices, and when inflation is due to temporary causes we must not only check it but force deflation until the former price level is restored. Any premature attempt, however, at monetary deflation by methods which do not touch the causes that have produced the inflation must lead to disaster. Great unemployment will ensue, and the nation will be faced with social evils of a different kind, though not less serious, than those resulting from inflation.

It must not be overlooked, however, that deflation can be obtained in another way. If we increase the commodities available for purchase without any increase of purchasing power, we shall deflate and prices will fall. Deflation of this kind can be effected without producing the evils to which I have just referred. The fall in prices will be very gradual, and though a less rate of profit will be made than if prices were stable, it will be on a larger quantity, and there can still be room for a fair return on capital and a fair reward for labor. This is the kind of deflation at which we ought to aim.

Mercantile Trust Company of Canada, Limited

HEAD OFFICE, - - HAMILTON

Thirteenth Annual Report of the Directors of Mercantile Trust Company of Canada, Limited for the year ended 31st December, 1920

To the Shareholders:

The earnings of the Company exceed those of any previous year.

The net profits for the year, after providing for all general expenses of management, War Taxes, Provincial and Municipal Taxes, and all other charges, amounted to	$56,736.10
The balance at the credit of Profit and Loss at the beginning of the year was	7,578.56
Making available for distribution	$64,314.66
This sum has been appropriated as follows:	
Four quarterly dividends at 6 per cent. per annum	$30,000.00
Bonus of 1 per cent. for the year 1920	5,000.00
Reserved for income tax payable in 1921	4,000.00
Reserved for difference between Book and Market value of Victory Loan and other Government securities as of 31st December, 1920	6,500.00
Transferred to Contingent Reserve	2,500.00
Balance carried forward	16,314.66
	$64,314.66

To the Special Reserve Account for possible depreciation of securities and overdue interest on Mortgage Loans in the Western Provinces, has been added the sum of $2,500.00, which, in the opinion of your Directors, makes ample provision for those purposes.

The accompanying balance sheet shows that the total assets in the hands of the Company amount to $5,919,339.52.

Respectfully submitted,
CYRUS A. BIRGE,
President.

Hamilton, January 27th, 1921.

PROFIT AND LOSS ACCOUNT

DR.		CR.	
Quarterly Dividends Nos. 24, 25, 26 and 27 at Six per cent. per annum	$30,000 00	Balance January 1st, 1920	$ 7,578 56
Bonus of one per cent. for year 1920	5,000 00	Net profits for the year 1920	56,736 10
Appropriation for Income Tax payable in 1921	4,000 00		
Appropriation to cover depreciation on Victory Bonds and other Government Securities to market value as of December 31st, 1920	6,500 00		
Amount added to Contingent Reserve Fund	2,500 00		
Balance carried forward	16,314 00		
	$64,314 66		$64,314 66

BALANCE SHEET—DECEMBER 31st, 1920

ASSETS

Capital Account—			
Office Premises		$ 65,000 00	
Safety Deposit Vaults		29,843 38	
Real Estate held for sale		22,859 65	
Mortgages—			
Principal	$323,924 54		
Interest	24,711 79		
		348,636 33	
Advances to Estates and Loans on Debentures, Stocks, Bonds and other Securities		135,443 08	
Dominion of Canada and Provinces of Canada Securities		131,711 65	
Debentures of Canadian Municipalities		25,378 31	
Other Bonds, Debentures and Debenture Stocks		26,562 37	
Cash on hand and in Banks		15,745 22	
			$ 801,179 99
Guaranteed Trust Account—			
Mortgages—			
Principal	$397,768 52		
Interest	11,474 60		
		$409,243 12	
Cash in Bank		4,028 97	
			413,272 09
Estates, Trusts and Agency Account—			
Real Estate Mortgages		$538,358 84	
Government and Municipal Bonds and Debentures		344,444 93	
Securities guaranteed by Dominion or Provincial Government		[illegible] 78	
Investment in Loan Company Shares, etc., by direction under Will or Trust Deed		3,959 75	
Advances to Beneficiaries and Loans against Government Securities		6,536 37	
Cash in Banks		185,508 60	
			1,157,261 27
Original unrealized Assets, including Real Estate, Mortgages, Debentures, Stocks and Bonds, etc., at Inventory Value			3,547,626 17
			$5,919,339 52

LIABILITIES

Capital Account—			
Capital Stock subscribed	$500,000 00		
Capital fully paid		$500,000 00	
Reserve Fund		125,000 00	
Contingent Reserve Fund		12,500 00	
Appropriation for Dominion Taxes payable 1921		4,000 00	
Appropriation to cover Depreciation on Victory Loan and other Government Securities to market value as of December 31st, 1920		6,500 00	
Dividend No. 28 and Bonus payable Jan. 3rd, 1921		12,500 00	
Due to Banks		103,450 81	
Special Deposit		20,914 52	
Profit and Loss Account		16,314 66	
			$ 801,179 99
Guaranteed Trust Account—			
Trust Funds for Investment		413,272 09	
			$413,272 09
Estates, Trusts and Agency Account—			
Trust Funds for Investment or Distribution			1,157,261 27
Inventory Value of Original Assets, of Estates, Trusts and Agencies in hands of the Company for Administration and Management			3,547,626 17
			$5,919,339 52

AUDITORS' CERTIFICATE

Hamilton, January 27th, 1920.

We have audited the books of Mercantile Trust Company of Canada, Limited, for the year ended December 31st, 1920, and have verified the cash, Bank Balances, and securities of the Company and those representing investments made by the Company on behalf of Trusts and Estates in the Company's hands.

We have examined the statement and find that it agrees with the books of the Company.

After due consideration we have formed an independent opinion as to the position of the Company; and with our independent opinion so formed, and according to the best of our information and the explanations given us, the statement sets forth, in our opinion, fairly and truly, the state of the affairs of the Company.

All transactions of the Company that have come within our notice have been within the powers of the Company and the moneys and securities held in trust have been kept distinct and in separate accounts.

G. S. SCOTT, F.C.A.,
G. E. F. SMITH, C.A., Auditors.

We hereby certify that to the best of our knowledge and belief the above statement is correct and shows truly and clearly the financial condition of the Company's affairs.

S. C. MACDONALD, Manager.
CYRUS A. BIRGE,
THOS. C. HASLETT, } Directors.

Hamilton, January 27th, 1921.

THE PRESIDENT'S ADDRESS.

Addressing the Shareholders, the President said:—

Your Directors to-day place before you the Thirteenth Annual Report of the Company with the feeling that again it will prove gratifying to you to know that steady progress has been made during the year and that the public are more and more realizing the necessity of entrusting their Estates, whether they be large or small, to a Trust Corporation rather than to individuals, as in the Trust Company they are assured of continuity of management under prudent business men, while individual management is often in the hands of inexperienced men and is, in any case, liable to be broken by death or other causes.

In the Statement which you have before you, you will notice that the net profits are about $2,300.00 higher than for the previous year. This is not a large increase, but it must be remembered that the cost of doing business has increased very materially in the last five years, while there has been no change in the fees allowed for caring for Trust Accounts for many years. Your Directors felt that the time had come when an increased revenue to Shareholders might safely be given and declared a Bonus of One per cent., making the total rate for the year 7 per cent.

As compared with 1919, the year 1920 shows a decrease in the total assets of Trust Accounts. This is accounted for by the fact that it is a fluctuating total and that more Estates in value have been closed up during the year than have come into the Company's hands. In one Estate alone, about $800,000 was distributed.

An extension of Trust Companies' powers, enabling a Trust Company to take monies on deposit is now under the consideration of the Provincial Government. Such monies, however, must be protected by ear-marked securities in full, and 25 per cent. of these must be in Government Securities or Government Guaranteed Securities in liquid form and cash to the extent of one-fifth of this 25 per cent. Just what the result will be for the Trust Companies if the proposal is carried out, it is too early to predict, but it is hoped that increased and profitable business will follow. The reason for this proposal is that a measure of relief may be given to the present mortgage situation in Canada which has become more or less acute by the cutting off of funds from Great Britain and other sources. Each deposit Account is to be held strictly as a Trust Account as between the Depositor and the Company, and can only be invested in securities authorized by 'The Trustee Investment Act.'

The Moratorium to which I referred last year, is still in effect in all of the Western Provinces, and is a factor in preventing the collection of overdue interest. It has been taken advantage of in a few cases only, and this has been provided for by setting aside a further sum to contingent account.

I referred last year to the economic situation, to the unrest that prevailed, to the tremendous financial obligations that existed, and to the extravagance that prevailed, not only with the individual, but Municipal and State Governments and Departments. Some improvements is being made slowly but steadily, but not as rapidly as we could wish. There are still further economic readjustments to come, but it would appear that Agriculture Industry and Trade are coming through their trials fundamentally sound, and much of the war time waste and extravagance is being eliminated, but the need for great economy and thrift still continues and will continue for a long time to come if we are to reduce the enormous burden of obligations incurred during the War, and during the readjustment period which is still with us.

The policy of thrift and saving has a strong bearing upon us as a Trust Company in the matter of Real Estate Loans, as applied to either City or Farm property. The wave of extravagant expenditure of the last few years must be curtailed and replaced by a saner policy of economy. The great need is increased production at lower cost. Lower production cost means lower prices, including Agriculture and Industrial products, cheaper raw materials and labor. The present unemployment can only be relieved by production at prices that will inspire confidence in the future and that they have reached a point within the consumers' resources. We may then hope for orders that will enable idle or half idle plants all along the line, to resume operations on a scale that will reduce unemployment to a minimum.

A comparatively new form of business has recently been coming into operation in what is known as "Living Trusts." We at present have a small amount of this business, but it is not generally realized by the public that it is available. The "Living Trust" gives an opportunity to a person during his lifetime to transfer to a Trust Company as Trustee a part, or even the whole, of his Estate to manage and invest either for himself or for members of his family. It gives men an opportunity, particularly men not very familiar with investments, with advantage to themselves, to transfer a portion of their Estate to a Trust Company to be invested in Trust Securities and thus provide that so much, at least, is safe from possibilities of loss which might result from investments made without careful consideration or real knowledge of their value.

The Mercantile Trust Company has made steady progress from its inception, and its strong position to-day, with a reserve of 25% over its Capital, warrant us in viewing the future with confidence in its further success and growth, and I urge an aggressive policy upon management and shareholders. We have service to sell. Let us each take a part, directly or indirectly, in selling this service and in bringing new business to the Company and extending its influence.

I have much pleasure in moving the adoption of the Report.

CYRUS A. BIRGE.

President: Cyrus A. Birge, Vice-President Bank of Hamilton; Vice-Presidents: Lt.-Col. Henry L. Roberts, Grimsby; James Turnbull, Toronto, Director Bank of Hamilton; Directors: C. C. Dalton, Toronto, Director Bank of Hamilton; A. E. Dyment, Toronto, Director Royal Bank of Canada; J. J. Greene, Managing Director W. E. Sanford Mfg. Co.; Thos. C. Haslett, K.C., Sir John S. Hendrie, K.C.M.G., J. F. Kavanagh, Col. John I. McLaren, Lt.-Col. W. H. Merritt, St. Catharines, Vice-President Imperial Bank of Canada; Maj.-Gen. The Hon. S. C. Mewburn; Stanley Mills, President Mills Bros., Limited; C. S. Wilcox, Director Royal Bank of Canada; W. A. Wood, Wood, Alexander & James, Hamilton; Manager: S. C. Macdonald.

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TORONTO, FEBRUARY 18, 1921

GOVERNMENTS IN BUSINESS

A GOVERNMENT that goes into business is as likely to lose as any of its competitors. The experience of Holland in a flour deal should restrain those who want the Dominion and Provincial Governments to engage in all kinds of enterprises, from railroading to general storekeeping. Queen Wilhelmina's ministers bought flour last summer to make sure that the people would have enough to eat in the coming winter. Now there is plenty of flour coming into the country and prices there, as in Canada, are far below the inflated figures of earlier months.

Without realizing it, the Netherlands officials were risking public money on their belief that the world's food crops this year would be insufficient for its needs. They have lost about $12,000,000 at recent quotations. Nobody in Holland wants to buy the government's flour at last summer's prices. The consumer's attitude is the same as it is in Canada toward private holders of sugar, flour, cotton or other commodities. He will pay the market price and no more. An effort to control the market in the Treasury's interest is unpopular, newspaper comments show. The Dutch government, no doubt, is eager to get out of the flour business.

The difficulties of Holland in supporting flour prices against world-wide recession, of Cuba in trying to hold up sugar, of Japan as the Atlas of silk supply are good reasons for congratulating the Meighen government on its refusal to continue national operations in the wheat market.

THE FARMER AND THE MIDDLEMAN

THE Western Grain Growers' organizations have made a success of their ventures in handling wheat. Good. Co-operation, when it leads to real benefits to a section of the community, is to be encouraged. But it does not follow that the same success can be attained in other fields of business. The Western Grain Growers have sustained losses of a large portion of their grain-carrying profits in the past couple of years in competing with the established implement houses and lumber yards and in Ontario the U.F.O. has had experiences with sugar and some other commodities which have destroyed some illusions as to the simplicities of merchandising.

In Ontario the appointment of a trained provision expert at a big salary indicates recognition that there can be no successful departure from the laws and rules evolved out of many years of commercial experience. In Western Canada the conclusion has been reached that fine theories as regards the marketing of lumber will have to be discarded in favor of the system of the established lumber companies. We find president Hon. T. A. Crerar, of the U.G.G., in his annual report, saying:

> It may be recalled that when this enterprise was undertaken it was with a view of getting into a position to ship carlots of lumber direct to farmers and farmers' associations, reducing thereby the expense of the middle man. It may as well be admitted that this method of operation offers very little promise of success, and your Board is now inclined to the view that it will be necessary for the Company to establish a number of retail yards at suitable points where sufficient promise of success offers. If the Company could rely on selling in carload lots, the problem would be easier, but experience has amply shown that it is very difficult to do this business.

Let us here repeat what we have previously said that co-operative effort is justified when it can stand on its own feet and fairly compete with private enterprise. But experience in highly specialized business should be a warning that great care should be exercised in rural credits and other ventures in the field of finance, especially if it is proposed to reap benefits for one section of the community at the expense of another through class legislation.

DELAYING THE HYDRO-RADIAL INQUIRY

THERE has been a consistent effort on the part of the pro-Hydro newspapers in Toronto to concentrate public dissatisfaction with the long drawn out nature of the inquiry regarding Sir Adam Beck's radial railway schemes to those who are trying to get at the facts on the ground that they are in opposition and, therefore, obstructionists. The truth of the situation is, however, beginning to make itself known.

For several weeks the witnesses for the Hydro, either because of ignorance of the plans which have already been endorsed by the various municipalities or with a knowledge of the weakness of their case, have obstructed the proceedings until they have several times exhausted the patience of both the commissioners and counsel and called down the criticism of the chairman. There are no sittings this week because, as Mr. Justice Sutherland has taken occasion to point out, the Hydro interests are not ready to proceed and counsel representing them have taken full responsibility for the adjournment.

Under the circumstances and in view of the weakness of the case so far made for the radial enterprises, it is not difficult to understand why Premier Drury is seeking an interim report from the Commission.

FARMER GOVERNMENT'S SECOND BUDGET

FOR the second successive year the Provincial Treasurer of Ontario has reported a deficit in the provincial accounts. It is only fair to say that last year the present holder of that office, Hon. Peter Smith, reported the fiscal operations of a previous government; he is only responsible for the record of the fiscal year ended October 31 last. The deficit for that period amounted to $802,743 on current account. The Provincial Treasurer stated in his budget speech this week that he was proud of it. Assuredly he has little cause to be ashamed of it.

The deficit was not caused by any decline in provincial revenues, but by great increases, in most instances unavoidable, in provincial expenditure. Salaries of civil servants, costs of institutions, hospitals, etc., and similar items took sums far in advance of the previous year.

The deficit might easily have been shown as a surplus had the minister used bookkeeping systems that have been in vogue in the province for many years. In the past, revenue from timber lands has always been classed as current. During the past year some $900,000 of this revenue was properly classed as capital revenue, on the assumption that the assets of the province were partially depleted by timber cutting.

On the side of expenditures similar bookkeeping reforms were initiated. Expenditure on certain roads and colonization projects, the province's share of the cost of maintaining the Hydro-Electric Commission and similar appropriations formerly charged up to capital account were put in the current accounts.

Had the former system of bookkeeping been followed in connection with these items, the result would have been a surplus of $875,198. A minister who is courageous enough to initiate such reforms within a year deserves the commendation of the business community.

The heavy expenditures of the province during the year have brought down accusations of extravagance and the accusations have been strongest from the public ownership press. Little notice is taken by these organs of the tremendous increase in the advances to the Hydro-Electric Commission, which jumped from $12,000,000 in 1919 to $18,000,000 in 1920. Of the 1920 amount over $11,000,000 was spent on the Chippawa project. The public accounts in themselves, indicating the rapidly increasing expenditures of the province on Hydro-Electric projects that increased the Hydro's share of the provincial debt from 52 per cent. to 73 per cent. within a few months, are a vindication of Premier Drury's policy of investigating the Hydro's further schemes before blindly committing the people to them.

EDITORIAL NOTES

AN ACTIVE labor man in Brantford has been arrested for burglary. As the alleged crime was committed on Sunday, perhaps he will expect double time for it.

* * *

WHY DID W. W. POPE, Hydro solicitor, go "up in the air" (as the press reports have it) when he was asked to give some assurance that Guelph would have Hydro-Radial service within five years?

* * *

WE HAVE often joined in the criticism of Ottawa for delay in the publication of statistics, but the receipt of "Comparative Railway Statistics, United States and Foreign Countries, 1916," indicates that Canada may be getting pretty fair service after all.

* * *

PRESIDENT HANNA is experiencing some of the difficulties of keeping a publicly operated undertaking free from politics. However, there are more dangerous political influences in running a government railway than the candidature of a few employees.

* * *

THE INSTALLATION of a bronze tablet in Toronto General Hospital to the honor of Sir Joseph Flavelle was a fitting recognition of the invaluable service which he has for many years quietly rendered in the upbuilding and administration of that institution as chairman of the board of directors.

* * *

PUBLISHERS of the Farm and Ranch Review who, are farmers "on a somewhat large scale," state that "since the outbreak of the war they have literally not made a cent." The Farm and Ranch Review is a strong paper and we are forced to the conclusion that good publishers make poor farmers, at least when they venture into both fields at the same time.

* * *

SHAREHOLDERS of the Toronto Railway Company who have attended annual meetings will, no doubt, sympathize with general manager R. J. Fleming, who at the gathering of the Canadian Jersey Cattle Club last week, demanded more particulars than given in the annual statement. The genial Robert's judgment on what and what should not appear in an annual statement is certainly to be respected.

* * *

WHEN the lights failed at the C.N.E. banquet to livestock breeders in Toronto, Sir Adam Beck explained that the Hydro was getting tired of the speeches. And, according to the Toronto Globe, those present "laughed heartily." Imagine the reception which would have been accorded Sir William Mackenzie had he made such a sally if Toronto Electric had given such evidence of inefficiency. Imagine, too, what the Toronto Globe would have had to say about it. Truly this Beck worship is being carried pretty far.

* * *

SIR ERNEST SHACKLETON would not agree with those in Canada who scoff at the dangers of Bolshevism. He was with the British forces in North Russia and knows whereof he speaks. He declares that the Red doctrine is a menace to any country that has not experienced it once. Bolshevism, he declares, "panders to cupidity and does nothing to encourage a decent standard of living." But Bolshevism is not always to be identified by the Russian brand. Any movement which has for its purpose the tearing down of existing laws and institutions without giving assurance of something better to replace them is Bolshevism.

Did Profit Sharing or the Union Fail in This Case?

An Unusual Industrial Experience Which Led to Open Shop Policy—Every Industrial Employer Should Read It

By PROF. JOHN R. COMMONS, University of Wisconsin.
Twelfth of a series published by special arrangement with "The Independent," New York.

When we visited the Wayne Knitting Mills, of Fort Wayne, Indiana, in August, 1919, Mr. Theodore F. Thieme, the founder, president, manager and idealist, was out of town. Practically all that we learned about the establishment we learned from employees. These employees were officers and members of "Knitters' Union No. 2," the local branch of the national trade union of Full-Fashioned Hosiery Workers. On the strength of their enthusiasm we placed the Wayne Knitting Mills at the top of our list, "Faith in Management." Sixteen months later, after prices had begun to tumble, these same employees were out on strike and the whole works was shut down. You never can say anything "for sure" about labor and management. You ought always to write history and never prophecy. Mankind has a distressful way of swinging from intoxication to the "day after." And it seems to follow the swing of prices from inflation to deflation.

Here is what the employees told us and showed us at the height of pecuniary intoxication. The business was started in 1891. Mr. Thieme had been educated in a Lutheran theological school. He taught school, then went into the drug store business at Fort Wayne, then sold out and went to Europe to see if he could find an industry that might be moved to America under the protection of the new McKinley tariff. He hit upon the full-fashioned hosiery business, in which fifty or more stockings are knitted at once on a great machine tended by a highly skilled mechanic and three or four girl helpers. He organized a $30,000 corporation at Fort Wayne, brought over from Germany twenty-five experienced knitters and finishers, and started in a rented store room.

From this small beginning has grown the great business which now employs nineteen hundred people, with a capital stock of $1,200,000, not a dollar of which is water, according to the boast of its proud and confident employees. Six of the twenty-five employees who started with the original plant thirty years ago are with it to-day. About seventy employees have been with the company twenty-five years or more.

The Wayne Knitting Mills, as might be expected from its founder, president and manager, presents some unusual features. We have found university professors, of late, in demand as employment managers. We have found even labor leaders drafted into this service. The Wayne Knitting Mills added to the variety by bringing in a man who had been lawyer, judge and political reformer—Ross F. Lockridge, fellow worker with Mr. Thieme in the fight of the latter for better government in Indiana and Fort Wayne. For Mr. Thieme was a political reformer as well as an industrial reformer. He was founder of the Citizen League of Indiana, substantial supporter of the "New Constitution" movement for the state, as well as of local movements for public ownership of public utilities and of general political house-cleaning. At the head of the Citizen, the official organ of his Citizen League, edited by Mr. Thieme and Mr. Lockridge, had appeared Lowell's anti-slavery defiance:

> The time is ripe, and rotten ripe, for change;
> Then let it come; I have no dread of what
> Is called for by the instincts of mankind,
> Nor think I that the world would fall apart
> Because we tear a parchment more or less.

With a political reformer as president and a political reformer in charge of employment and welfare activities, one is not surprised to find surprises. Here is an immense clubhouse, built by the company—really more than an ordinary clubhouse, for it is in fact and name a "community centre" for management and labor, for social, educational, political and union gatherings, as well as a home for young women workers whose families do not live in Fort Wayne, and who prefer to live together here rather than outside in the boarding houses of the city.

Lectures by President

The president and secretary of the union showed us through the club, they fed us in the great dining room and told us of the goings-on in the place. They showed us copies of Rav-lings, the shop paper, with a column or two edited by "Knitters' Union, No. 2," and its notices of union elections and its comments on union affairs and events. Rav-lings had a column of "Community Centre Notes"—Mr. Thieme had lectured on the present system of city government and the issues at the coming municipal election; at another time on "The Political Machine"; at another time, after six months' absence in recovering his health, on "World Politics"—each lecture followed by a free-for-all. He had also attended the union meetings, as well as the Community Centre meetings and had spoken there on public questions, such as workmen's insurance, public ownership and the tariff. Colonel Foster, the foremost promoter of park improvements, had talked to the Community Centre on "how to secure our most needed public improvements." The biggest crowd that attended the Community Centre was the one that heard the debate on the liquor problem—described as a "roaring success." Another meeting was "a great suffragette demonstration."

The employees did not hesitate to follow the example of their employers. Here is a program offered by them in Rav-lings:

> Every person, male and female, should be on an equality, both as to voting and power to hold office. In order to get the form of government we want and to keep it most suited to our needs, we must have constitutional home rule. We cannot, under the present two-per-cent. limit, buy and operate the gas plant, street railway, or any other new business. This limitation must be raised.

Rav-lings tells us also of a talk by John A. Thieme, brother of the founder, in which he said:

> Even in our own good times, times of a great deal of frivolity and amusement, there are surely openings for reforms and changes, and we have many men and women who have ideas, ideals, convictions and fads, if you please, which they would like to bring before the public. This, then, is the place to come to air your ideas and get these reforms out of your system. The people will be glad to hear—and take up these new ideas.

Industrial Reform

But political reform was not the only reform agitated in this Community Centre. Industrial reform was prominent. We were told of Textile Industrial Club, composed of the management and upper workmen, and of other clubs and committees discussing everything from street car service to the best way to handle orders in the finishing department. Here were classes held in company time with teachers provided under the federal and state laws granting aid for vocational education. These classes are adapted to all levels of intelligence and need.

The union originally included only the three hundred men knitters on the full-fashion machines. The men later opened the organization to their girl helpers—each man has three—and then they went the whole way and threw open the door to every employee in the factory down to the youngest girl. The girls were coming in slowly, it is true, but surely. They were not coming because of solicitation. The union did not want a lot of members whom they would find difficulty in holding.

Attitude of the Union

That the union did not urge the girls to come in did not mean, however, that the union was not interested in the welfare of non-members. Their shop committee frequently took up with Mr. Thieme matters of concern to the entire plant; and Mr. Thieme in turn referred to the committee of the union matters concerning the whole plant in which he wanted the co-operation of this force. The union, according to the men, was actually a convenience to the company.

There was no doubt of it. The organized workers were sincerely interested in efficient production. They had no fear of being placed at a disadvantage because of high wages for efficiency, and were confident in the good faith of the management. They told us how they were always able to present their case to the company officials and to receive satisfaction; how the company kept their employees on during the period of shortage of dyes in 1914-15, and continued to manufacture as before and to take the risk of piling up large stocks; how, nevertheless, large profits were unexpectedly made when a tremendous demand set in, so that a policy fair to employees proved to be profitable to the firm; how this had always been the policy of the company, so that, in the last twenty-four years, the employees had not lost a single day on account of lack of work. They told us there had never been any water in the stock, and, in the period of highest profits, the stockholders had never been paid more than [illegible] per cent.

But we were surprised to find a trade union, along with all these welfare and educational activities, the profit-sharing which adds 25 per cent. to the already high wages, this clubhouse, community centre, textile club and other harmonizing agencies. The union officers noted our surprise and explained how the union came into existence. "Mr. Thieme was away for a long time. He was reported to be very sick. Things were going bad. So we organized. Then he came back. Things began to go all right again. But we keep up the union partly because we are afraid he might die."

Attitude of the Company

The company described their relation with the union in a pamphlet shown to us by the union officers:

> We recognize the union, and the union recognizes the management. Annually, with the election of new officers, the union appoints a factory committee of from twelve to fifteen men, who meet with the management upon a call from either side, when mutual plans, suggestions, grievances, recommendations, etc., are discussed and acted upon. These meetings are attended by the general manager, superintendent and other assistants as well as such shop foremen as are interested in the subjects under consideration. It is not entirely a one-sided proposition, for while labor presents its grievances to the management, on the other hand the management brings its problems and grievances affecting such questions as production, quality and labor supply, before the committee. It has proven up to this time a profitable investment for both capital and labor.

This was Mr. Thieme's ideal, which he stated as follows:

> We have no more important function to-day in the Wayne Knitting Mills than the development of our welfare work. This we are doing in part through certain aids such as old age pensions, special assistance to sick and needy, sick and accident insurance. Important as these are, they are secondary in my judgment to our more constructive welfare work through profit sharing, club house culture and recreation. But this welfare work must not operate to keep the payroll down.

Union Makes Demand

Thus it was in August, 1919. In October, 1920, the financial intoxication began to pass off. Payrolls had previously been adjusted up to meet the high cost of living, and in June, 1920, the last advance had been made, after the profit-sharing checks for 25 per cent. on wages, out of the preceding year's earnings, had been issued to all the workers. Everything looked rosy. Then the union committee demanded that the 25 per cent. profit-sharing bonus should be put thereafter into the weekly pay envelope instead of paying it at the end of the year. The company got at once a rude glimpse of the workers' psychology. To the workers, profit-sharing in cash is but deferred wages. It was here, as always, wage psychology against profit psychology. But the glimpse in June was not rude enough—the intoxication was on the company also. Business was rushing. The company agreed to take its chances, make everybody happy and assure ideal working conditions for the season. But they hesitated enough to agree only to the committee's program for a period of six months, ending December 1. Thus for six months unearned profits became current wages. Profit psychology yielded to wage psychology, notwithstanding wages proper had already kept up with the cost of living.

In October the company found itself with $2,000,000 inventory depreciated approximately 40 per cent. Mr. Thieme called in the committee. He proposed to take off the last advance in wages proper, made in June, and to pay profits as before, only when earned, at the end of the year. He met the committee often. He wrote a long statement which was read at the union meeting. He implored them to accept his statements and to have confidence in his judgment and integrity.

But wage psychology could not think in terms of profit psychology. Wages are paid now, but profits are paid a year, maybe ten years, from now. They require different kinds of

Continued on page 23.

PERSONALS

SIR AUGUSTUS NANTON, of Winnipeg, prominent among the financial and business interests of this country, has been elected a member of the board of directors of the Royal Trust Co., Sir Augustus is the senior resident partner in Winnipeg, of the firm of Osler, Hammond & Nanton; and is besides a director of the Canadian Pacific Railway Company, the Hudson's Bay Company, the Dominion Bank, the Ogilvie Flour Mills, and many other companies. His new appointment carries with it membership in the Manitoba advisory board of the Royal Trust Co., now comprising in addition John Galt, J. B. Hough, K.C., A. McTavish Campbell, Hon. Wm. Hespler and A. F. D. MacGachen.

The Investor's Accumulation Period

The chief characteristic of the present investment market is the immediate absorption of all the highest class of investment offerings at the ruling rates. There is a general realization that the extraordinarily high rates now available are gradually disappearing.

The present yields, as compared with pre-war yields, are still excellent and are being taken advantage of by the shrewdest investors. A few comparisons will indicate how decided is the investor's present opportunity:

	Approximate Yield July, 1914	Present Yield
Province of Ontario	4.34%	6.00%
Province of Alberta	4.76%	6.10%
Province of Saskatchewan	4.71%	6.10%
Province of Quebec	4.34%	6.00%

A much similar ratio holds with all City, Town, and all Municipal issues.

Such rates as compared with pre-war yields demonstrate how decidedly the present is the accumulation period for the far-seeing, wide-awake investor.

Copy of the latest investment list, giving a wide range of Government and Municipal issues, forwarded on request.

A. E. AMES & CO.

Investment Securities

UNION BANK BLDG. - TORONTO
TRANSPORTATION BLDG. - MONTREAL
74 BROADWAY - NEW YORK
BELMONT HOUSE - VICTORIA, B.C.
HARRIS TRUST BLDG. - CHICAGO

Established 1889

We are at all times prepared to buy

Western Municipal and Government Bonds

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Bonds Suitable for the American Market

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Capital Paid Up $592,928.53

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

DOMINION POWER

J.B.N., Hamilton—Would you kindly advise me regarding Dominion Power and Transmission stock?

The annual statement of this company will be out in a few days and will probably show that a very satisfactory year has been enjoyed. Dominion Power preferred has always been very well regarded and sold as high as 102 last year. It is now around 92 and there is no immediate reason why you should sell. The company is exceptionally well managed and has excellent prospects before it.

ALBERTA FLOUR MILLS

Several inquiries have been received by THE FINANCIAL POST regarding the Alberta Flour Mills, Limited, Calgary, following a reference some weeks ago to a common stock issue being made in both Eastern and Western Canada.

This is an entirely new enterprise and should be approached with full recognition of the element of speculation which must attend such ventures. There are some good men behind the project and the proposition is being squarely put to the investing public. The plan of selling common stock at par instead of issuing preferred stock as is usually done, often with a bonus of common, is novel but it gives the common stock the status usually taken by preferred and the investor would secure all his profits in one dividend distribution.

THE FINANCIAL POST has secured a number of reports on the proposition and while some of these are altogether favorable others offer criticism that the mill is too big for the available market, that construction has been delayed and that there is doubt as to the technical ability of the promoters. To these criticisms the answer is made by those interested that it is the export market that they are looking to, that it is good business to ship flour rather than wheat, that cheap hydro power is available and that there is a market for mill feeds at the mill's back door. Only the operation of the mill can definitely decide the extent of the success of the venture.

KING EDWARD HOTEL

A.B.C., Toronto.—I would appreciate having your opinion of the King Edward Construction Company.

There seems little doubt but that this company will be able to earn the dividends on the preferred, and this stock may therefore be regarded as a fair investment for a business man. The hotel business as you are aware is subject to varying conditions which render it uncertain over a period of years. For this reason the common stock can only be regarded as a speculation of the better type. There is one objection and that lies in the fact that there is not always a market available for this type of security. This, however, is a minor matter and does not affect the security of the issue.

COLLECTION SITUATION

P. S., Ottawa.—Will you be good enough to favor me with your estimate of the collection situation for the Dominion in the matter of payments coming due by farmers to loan companies, banks, machinery firms, seed firms, etc., during the past fall.

We have made some special inquiries in connection with your inquiry, which lead to the conclusion that the financial situation of the farmers in the West is not now as favorable as was anticipated earlier in the season. The crop returns have not lived up to anticipations, and while production was considerably in excess of the previous year the price declined following the end of control to an extent estimated at about one-third of that which prevailed under control. Returns to farmers were therefore reduced. Reports indicate that collections are being made pretty satisfactorily by the loan companies, but less progress is being made by the banks and industrial firms. The situation as encountered by the implement firms is said to be extremely disappointing, and there is every indication that a large number of farmers will be forced to carry over debts incurred with these firms until the next harvest.

There is still a considerable quantity of the season's product to be marketed, estimated at around 70,000,000 bushels. The movement of this grain has been held up in anticipation of an adjustment of grain prices on a higher scale.

Banks are looking for an easing up in the situation in the spring, probably about May next.

ZENITH COMPANIES

F. J. W., Toronto.—Would you kindly give me your opinion of Zenith Companies, Inc. Is it a safe investment with big prospects?

The stock of the Zenith Companies, Inc., cannot be classed as a gilt-edge investment. There is an element of risk here which removes it from that favored list. The records of the companies included in this incorporation have been satisfactory, we understand, and the management appears capable. There are opportunities for an organization of this kind, but until their position has been more definitely determined it can only be classed as a speculation of the better class.

GRAND TRUNK PACIFIC

J. C., Smiths Falls.—Will you advise me if either the provinces of Alberta or Saskatchewan did not pay at par of exchange securities they endorsed.

We know of no instance where Grand Trunk Pacific bonds, guaranteed by Alberta or Saskatchewan, have not been paid as to interest at par of exchange in the country where the coupons were presented for payment. G.T.P. 4's due 1939 or 1942 guaranteed by Alberta or Saskatchewan are payable in New York, London or Montreal and the holder is entitled to New York funds for his coupons. If his banker should demur at paying New York funds for his coupons he can send them to a New York bank for collection and will receive the premium in that way.

RSC INVESTMENT-SERVICE

The Business Outlook

for 1921 is discussed clearly and briefly in the current number of *Investment Items*.

Reasons are given why Canadian business men should face the coming twelve months with confidence and optimism.

Every business man and investor should read *Investment Items* regularly.

A letter, or a postal, will add your name to our mailing list.

Royal Securities CORPORATION LIMITED

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MONTREAL

Toronto Halifax St. John Winnipeg Vancouver New York London, Eng.

Must Encourage Capital to Develop Western Coal Mines

Fear of Nationalization Must be Removed Before West Will Be Able to Use Own Fuel at Reasonable Prices

By AGNES C. LAUT.

However embarrassed coal operators of British Columbia and Alberta have been by labor disputes in the past ten years, one does not need to be a prophet to predict that with an ample supply of labor, Western Canada offers opportunities without parallel for investments of capital in coal lands.

The prairie provinces and British Columbia represent to-day a population something under two millions. Within a few years they may have a population equal to the Western States—from twelve to twenty millions. If they are short of coal now and paying extortionate prices in a climate that will always be a consumer of coal for seven months out of twelve, it goes without saying with a many times greater population, there will be an unlimited market on the spot in the West for all time for an unlimited output of coal. Later on, when a zoning system eliminates long hauls of coal east and west, and sends that coal south, there will be an equally good market for it in the Western States, which are to-day paying for the haulage of anthracite coal from the Eastern States, to the great embarrassment of the Eastern States, which have not a supply of coal for their own needs. They are, in fact, burning corn cobs for fuel.

All this will necessitate a change in the present system of using wheat cars sent East with grain as coal carriers in a long haul back West. That the change is bound to come hardly needs telling. A population in a cold climate isn't going to continue paying $25 a ton for Eastern coal, when the West is bulging with coal of its own. The zoning system of providing the West with coal will be forced from the very necessities of the case. This altogether apart from the fact that South America would pay $35 to $37 for such bunkering coal from the West, and the hauling of that coal to Prince Rupert and Vancouver would eliminate deficits on our Canadian National Railroads. It would provide tonnage for any merchant marine Canada may develop on the Pacific coast.

Some Undeveloped Areas

Soap box orators are fond of proclaiming that "the trusts have already gobbled up all our coal areas." That is why we are shivering and paying high prices. No falser statement was ever issued. We are shivering and paying high prices for coal because the enormous coal areas which we have are not being developed.

I look over my notes as I passed over these coal areas. Here are some typical properties:

Quarter section of coal on Brazeau Branch G. T. P., 35-foot seam, surface stripping proposition, cost to be loaded on cars from mine including all labor $1 per ton. Contracts f.o.b. on car at mine mouth $3.65. Amount of coal available, 5,600,000 tons. Cost of quarter section, $100,000.

Anthracite bed west of Grand Prairie, 68 to 85 per cent. fixed carbon. No price stated. Open to any offer.

Anthracite on Bear Creek, northeast Prince George—no price, open to any offer.

Coal sub-bituminous in section of National Parks on rail, 3,000 acres for sale, $1,200,000; $600,000 down; fully equipped mine, can be hydraulicked at 25 cents a ton; price on car offered, $3.85 to $2.85.

Sub-bituminous mine in same locality open to any offer; coal in sight, 36,000,000 tons; $600,000 down will buy it.

Hudson Hope, Peace River, anthracite, held by small syndicate local men, open to any offer, high-grade steam coal equal to West Virginia, lease at $20 an acre.

Anthracite property on Bear Creek can be bought freehold at $20 an acre—640 acres for sale outright.

Coal, Bear River lignite, 45 miles in area, leases $20 an acre.

Capital Is Afraid

I could continue these items indefinitely. You literally tumble over them in the West. Yet the West needs coal; so does the whole world. Should the capital that proves its faith by investing be accused of "gobbling natural resources"? The natural resources lie fallow and undeveloped in millions of acres. Yet capital is not going to invest, where later it will be threatened with "nationalization" after it has expended millions.

That is exactly what is keeping capital out of Mexico. If we had the capital actively at work in Western coal areas—of which there are yet millions of acres of unstaked areas to try out nationalization schemes—people would not be shivering for coal. Nor would they be paying $12 to $25 a ton for what they do get.

CURRENT OPINIONS

THE AMERICAN VIEW

"Commerce and Finance."

Laboring under the world-wide delusion that large imports connote unemployment, various movements are on foot in Canada to restrict said imports, and the "Made in Canada" slogan gains in strength. The Canadian Manufacturers' Association has issued a circular complaining that "Canadians are still sending their money to the United States and paying heavy exchange" for cheap American goods, though no Canadian money to speak of is to be found in this country. It doesn't circulate here at all and is worth more at home. Canada's excess imports eventually will be paid for by exports, either direct or via some other country, if our Congress does not prevent, in which case, as Sir George Foster points out, Canada will be compelled to cease buying here for lack of means to pay. Strangely enough, no one thinks in this connection of the $318,832,078 of Canadian Government railway, municipal, public service and other securities sold last year, all but $100,024,585 of them sold in the United States, or of the other large investments of American capital there, all of which went there as real wealth, not as mere counters of wealth.

WORLD WHEAT SUPPLY

(Wall Street Journal)

That there is sufficient wheat to carry the world through to another harvest daily becomes more evident. A study of crop and export figures should convince the farmers that they were badly advised in forming their scarcity pool. It might also convince them of the folly of following political agitators and lobbyists whose equipment seems to be complete ignorance of world markets.

Regardless of deflation, wheat was bound to decline because our crop was 25 per cent. more than we could consume, including seed and a safe carry-over. In such circumstances no "emergency" tariff could support the price, because we had more than we could use and must sell the surplus to the outside world. The price was therefore regulated by what the foreign markets would pay.

There is a vital difference between the theoretical and the actual import requirements of foreign countries. In the five years preceding the war the importing countries consumed an annual average of 1,452,000,000 bushels of wheat. The Department of Agriculture estimates the crops this year at 694,000,000 bushels. By deducting the total from the pre-war average consumption, it arrives at 758,000,000 bushels of wheat as the import requirements for the present season.

But if Europe cannot pay for all it wants, it can pay somehow for all it needs. Even the 3,500,000 destitute children in eastern Europe whom Herbert Hoover is trying to feed make no argument to the contrary. In the last two years Europe's imports averaged 550,000,000 bushels per year. That might be a fair measure of what it will take this year, even though it could eat 200,000 bushels more.

Exports of wheat and flour from the United States and Canada from July 1, 1920, to the end of January will approximate 285,000,000 bushels; and the two countries have 135,000,000 more to sell. The Argentine surplus has been officially estimated at 120,000,000 bushels. Estimates of the Australian surplus now available approximate 100,000,000 bushels. There is a theoretical deficit of 250,000,000 bushels of rye, which central and eastern Europe consumes. But allowing for all this, there is still as much bread grains as Europe is likely to be able to purchase with some left over.

A BALLY LOT OF NERVE

(Commerce and Finance)

Lloyd George certainly is a daring person. If anything was necessary to prove it he has furnished the evidence by raising the telephone rates in Great Britain.

Ever have a bout with a British telephone? If you haven't you cannot appreciate how blessed you are with the 'phone you have here in the U.S.A.

Any one in London who, without a long wait or a violent struggle, gets the party with whom he wishes to converse over a telephone wire brags about it for days.

If New York or Philadelphia or Chicago had British telephone service the people would go forth in their fury and pull up the telephone conduits by the roots.

COST OF ADVERTISING

There is no possibility of decreasing advertising rates, T. R. Williams, business manager of the Pittsburgh Press and president of the American Newspaper Publishers' Association, told Pennsylvania publishers, members of the Associated Dailies, at a recent meeting at Harrisburg, Pa. A United News report says:

Mr. Williams presented figures showing the newspaper publishing costs are at the highest point and increasing.

"Under these conditions," he said, "there is no possibility of decreasing advertising rates.

"Advertising rates," he continued, "were too low before the war and in the past few years rates have not increased in proportion to increased publishing costs."

Figures were cited showing that publishers' costs have increased nearly 200 per cent. in recent years and that advertising rates increased less than 100 per cent.

Williams contended that there can be no hope of reducing skilled labor required by newspapers for years to come, and that while spot newsprint prices are softening, the contract price of 6 1-2 cents per pound is the highest price in 25 years.

"It is certain," he pointed out, "that contract newsprint prices will remain permanently higher than before the war. Advertisers who know newspaper conditions are not asking for a decrease of advertising rates as they know that at present rates their space is the lowest priced commodity they buy"

Service On Victory Bonds

Our Victory Department will give you at any time, the exact quotations of all Victory issues now traded in on the open market, either to buy or to sell.

We will buy any Victory Bonds on our partial payment plan.

Write for particulars

Greenshields & Co.

INVESTMENT BANKERS

14 King Street East, Toronto

Montreal ◆ Ottawa

Flexibility in Service

There is a freedom and a flexibility to our Victory Bond Service Department that commends itself to those who have had experience with it.

You too, will find this so if you favour us with your orders to buy or sell Victory Bonds. Telephone enquiries especially solicited.

Entrust us with your order.

Wood, Gundy & Company

Toronto, Montreal, Winnipeg — Canadian Pacific Railway Bldg. Toronto — Saskatoon, New York, London, Eng.

EXECUTOR, TRUSTEE, AGENT

Crown Trust Company, acting as Executor, Trustee and Agent, transacts a general trust company business, offering a variety of services.

Confidential discussions between our officers and parties interested in any phase of trust company business are invited without obligation or charge.

Crown Trust Co.

"A Trust Company for the Public Service"

145 ST. JAMES STREET MONTREAL

SAFE DEPOSIT BOXES TO RENT

NEW ISSUE
CITY OF ST. CATHARINES
6% COUPON BONDS
Maturities: 1922—1926
Principal and semi-annual interest (April 30 and October 30) payable in Toronto or St. Catharines. Denomination, $500 and $1,000
PRICE TO YIELD 6.40 PER CENT.
HARRIS, FORBES & COMPANY
INCORPORATED
C.P.R. Building TORONTO
21 St. John Street MONTREAL

The A. B. C.
of Your
Investment Problems

ALWAYS,
BEFORE YOU INVEST,
CONSULT US.

Æmilius Jarvis & Co.
LIMITED
Jarvis Building TORONTO
INVESTMENT BANKERS
ESTABLISHED 1891
CORRESPONDENTS
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Merchants Casualty Company
Canada's Zenith Company
Underwriting
Automobile, Accident and Health Insurance
Principal Offices:
Toronto, Montreal, Winnipeg, Moncton and Vancouver.
Agencies throughout the Dominion

New Issue
$164,747
CITY OF SARNIA
6% and 6½% Coupon Bonds
Dated Dec. 31st, 1920. Maturing Serially 1921-35.
Principal and Interest Payable at Sarnia.
Denominations: $1,000 and Odd Amounts.
Price: Rate to Yield
6.10% to 6.15%
According to Maturities.
CANADIAN DEBENTURES CORPORATION,
Limited
INVESTMENT BANKERS
Established 1910
36 King St. E. - - - - TORONTO

NEWS OF THE BOND MARKET

PROVINCES LOSE WITH SUCCESSION DUTY FREE BONDS

But for Elderly Investor They Mean Great Saving

QUOTED AT 4½ P.C.

Provincial Treasurer of Ontario Says That Province Loses Face Value in Seven Turnovers

The most sought after bonds on the Canadian market are Province of Ontario and Province of Quebec succession tax-free issues. They are now being quoted on a 4½ per cent. yield basis and the supply is not equal to the demand.

The demand for these issues has been especially felt during the past year, following large increases in inheritance taxes by the Ontario Government at the last session of the legislature. Under the present scale of succession duties in both Ontario and Quebec the proportion of the estate that reverts to the province is very considerable and if a business man, who knows that he is nearing the end of his life, is able to convert his liquid assets into those bonds of his province which are free from the inheritance taxes, the saving to his estate may run into thousands of dollars. When the late Sir William Macdonald died the province of Quebec received approximately $3,000,000 in inheritance taxes; the estate of W. D. Matthews, the Toronto financier, netted Ontario over $500,000. These figures indicate the weight of the tax.

Ontario bonds free from succession duties are as follows:

$1,500,000	3½%	bonds and stocks	1926
1,500,000	3½%	bonds and stocks	1936
3,500,000	4%	bonds and stocks	1939
500,000	4%	bonds and stocks	1941
3,000,000	4%	bonds and stocks	1941
£ 544,010	3½%	inscribed stock	1946
842,406	4%	inscribed stock	1947

There is little loss to the business man in buying these bonds if he purchases them at the right time. The immediate loss amounts to about 1½ per cent. per annum on the principal amount of the investment yearly, or the difference between the return on taxable and tax-free bonds. If the tax on the estate amounts to 25 per cent., a conservative estimate in many cases, it is easily seen that even should the owner of the bonds live fifteen years or more the estate benefits.

The loss to the province at the present time from the action of former provincial officers in issuing bonds with the exemption clause is not represented by the amount of taxes saved by a single estate. Undoubtedly one of the first steps taken by the executors of such an estate is to sell the tax-free bonds and a single bond or block of bonds might pass through a dozen estates before maturity, in the aggregate saving these estates more than the face value of the bonds, or, in other words, costing the province that much in revenue that might otherwise have been received. In his budget speech this week, the provincial treasurer of Ontario estimated that the province loses the face value of the bonds every seventh time they change hands.

When Ontario redeemed $8,889,600 of succession duty free bonds in England last summer, the saving to the province amounted to many thousands of dollars more than the $2,000,000 made on exchange.

GREAT AS BOND DEALER

Fable tells us that Dick Whittington, after bewailing the fact that he had nothing to send abroad on one of his master's trading ships, ventured his only possession—a cat. The cat brought him great fortune and enabled him to marry his master's daughter and eventually to succeed as a great merchant.

But great as he was as a merchant, he was greater both as a bond merchant and as a municipal officer. As early as 1379 he subscribed five marks to a City of London loan. He sat in the common council of the city as the representative for Coleman Street Ward, was elected alderman for Broad Street in 1393 and was Sheriff in 1393 and 1394. In 1397 he was elected Lord Mayor of London and served not only thrice, but four times in that office.

He frequently negotiated sales of City of London bonds on favorable terms, both in and out of office, made large loans to Henry IV. and Henry V., and it is told that when he gave a banquet to the latter King and his Queen in 1421 that he completed the entertainment by burning bonds for £60,000 which he had taken up and discharged.

TWO ISSUES BOUGHT BY A. JARVIS & CO.

Bonds Acquired From Iroquois Falls and Fort Garry

Æmilius Jarvis & Company have purchased two bond issues.

The first consists of $45,000 of 20-year 6 per cent. bonds of the Iroquois Falls Separate Schools Commission. The bonds are guaranteed by the Province of Ontario, and at the price paid, 97, the basis was 6.28 per cent.

The other issue was $80,000 of 30-year 6 per cent. bonds of the rural municipality of Fort Garry, Manitoba.

BOUGHT LIGHT PLANT

Summerside Issued Debentures as Payment

Purchase of the local electric light plant is recorded in the annual report of the town of Summerside, P.E.I., which says:

"Our ten year contract with the Sun Electric Company having expired during the year, a new contract for the same term was submitted by them to the Council, at very much advanced rates. We refused to consider the proposition and made several counter proposals which eventually resulted in the purchase of the plant and equipment by the Town for $31,500.00, the company agreeing to accept our 5 1-2 debentures on a 6 per cent. basis, making our purchase apparently $34,129.30 and while we are not in a position to issue a financial statement for this utility (not having operated it for a year), we have every reason to believe that we moved in the best interests of the citizens by making this purchase."

WANT REGINA HEARING

By Resident Representative.

REGINA.—The city of Regina is agreeable to a stated case in the action being brought by the Toronto General Trusts Corporation to recover the difference between current rate of exchange and par of exchange on interest coupons of sterling bonds issued by the city and held by the corporation, if the argument is heard in Regina. The plaintiffs desire to have the case argued in the Supreme Court of Ontario at Toronto.

OSHAWA BONDS SOLD

An issue of $181,000 of Oshawa bonds has been sold to Wood, Gundy & Co. The bonds were 6 per cent., 20 and 30 years, and the price was 96.55.

WIDE DIVERGENCE IN PORTAGE BIDS

Ames & Co. Bought Issue—Spread of 5½ Points in Tenders

Widely divergent were the bids received by Portage la Prairie, Manitoba, for an issue of $54,000 of 6 per cent. 19-instalment bonds sold this week. The issue went to A. E. Ames & Co. at 93.69, which is on a basis of 6.60 per cent.

The tenders received were as follows:

A. E. Ames & Co.	93.69
Strang & Snowden	92.28
Wood, Gundy & Co.	90.08
Bond & Debenture Corp.	90.07
Harris, Read & Co.	89.80
R. C. Matthews & Co.	88.10

TREASURER DEFENDS HIS PRIVATE SALE

Ontario Made Market for Saskatchewan Bonds, He Claims

Defence of his action in selling the last provincial loan of $10,000,000 by private negotiation, rather than by public tendering, was expressed by Hon. Peter Smith, Ontario's provincial treasurer, in his budget speech. The treasurer contended that the fact that a day or two after $10,000,000 of bonds had been sold at under 97, an offer to take an additional $10,000,000 at 98½ was received, indicated that private sale was the best.

Regarding the better price received by Saskatchewan for its issue, the minister suggested that Ontario created the market for the Saskatchewan bonds, and enabled that province to make a better sale. Moreover, had he sold the extra $10,000,000 he was asked for the average price for the $20,000,000 would have been considerably over Saskatchewan's bid.

Referring to the treasurer's explanation, a Toronto bond man remarked this week, "The fact that the province was offered 98½ for an extra $10,000,000 of bonds, within a few hours after $10,000,000 had been put on the market, shows that his initial price was out of line with the market."

WESTERN HOUSE BUYS ROCKWOOD'S ISSUE

J. A. Thompson and Co. Purchasers of Rural Municipality's Bonds

J. A. Thompson & Co., of Winnipeg, were the purchasers of $52,853 of 6 per cent. 30-instalment debentures of the rural municipality of Rockwood, Manitoba, this week. Their price was 95.77, a 6.45 per cent. basis.

The issue was the unsold balance of a block of $60,000.

Tenders received were as follows:

J. A. Thompson & Co.	95.77
Strang & Snowden	05.17
W. L. McKinnon & Co.	94.513
Harris, Read & Co.	94.32
Bond & Debenture Corp.	94.07
Wood, Gundy & Co.	93.89
Dom. Loan & Securities	93.
A. E. Ames & Co.	92.40
R. C. Matthews & Co.	89.

B.C. HAS SURPLUS

Public Accounts Show Excess of Revenue Over Expenditures

VICTORIA.—British Columbia has a surplus of revenue over expenditure for the last fiscal year ended March 20 last amounting to $351,388, according to the public accounts presented to the legislature by John Hart, Minister of Finance.

Total revenue amounts to $13,861,602. Expenditures on current account were $11,508,002, and on capital account charged to income $1,942,268, making a total capital expenditure charged to income of $13,510,351.

Current revenue is $3,876,212 more than the estimates for the year, while the total expenditure was $195,388 more than the estimates.

The total surplus of assets over liabilities has increased $22,181,256 to $23,407,291.

ORILLIA'S LOCAL SALE

Local Man Disposes of $285,000 of Town's Bonds

Orillia has completed the sale locally of $285,000 of paving debentures through Mr. A. B. Thompson. The bonds bore 6 per cent. interest and were offered to yield 6½ per cent.

The issue was very successful, and although it was originally expected that it would take three or four months to dispose of so large a block, the total period of sale was a few weeks. Half the debentures were sold in Orillia and half in Toronto.

BOND MOVEMENTS OF THE WEEK

Bonds—	Int. Rate.	Due. Year	Yield	Range 1921 High	Range 1921 Low	Latest Price Wk. End. Feb. 16 Ask	Bid	High	Low	Sales
Bell Telephone	5	1925	6.85	92	91¼	..	92	92¼	..	2,000
Can. Car	6	1939	7.17	88	..	..	..	88	..	100
Can. Steam, deb.	5	1943	7.77	71	70½	..	..	71	70½	7,500
Can. Cement	6	1929	7.06	93	91½	..	93¾	93	..	100
Cons. Rubber	6	1946	6.82	90	86	..	90	90	..	3,000
Ced. Rapids	5	1953	5.87	87½	87	88	..	87	..	300
Dom. Iron	5	1929	8.20	80	75	81	80	80	..	5,000
Dom. Canners	6	1940	6.92	90	86	..	89	90	..	1,000
Dom. Coal	5	1940	6.12	87	86	87	86½	87	..	1,000
Dom. Textile (C)	6	1925	7.97	92	91	..	91	92	..	500
Montreal Dec. '22.	6	1922	3.12	107	96½	106	..	107	105½	2,400
Do., May '23	6	1923	4.10	107	103	106¼	..	107	105½	1,100
Do., Sept. '23	6	1923	6.27	99¼	98	..	99	99¼	99	3,000
Mont. Trams, deb.	5	1924	13.55	66	66¾	66	65	66	65½	11,900
N. S. Steel	5	1959	7.37	69¾	..	..	..	69¾	..	1,000
Penmans	5	1926	7.25	89½	85	89½	89	89½	88½	8,500
Quebec Rly	5	1939	8.74	64¾	59	..	62	64¾	64	30,300
Rio	5	1935	8.67	78	62	77	76½	77	68	11,900
Sao Paulo	5	1929	7.82	82	70	..	80	82	79	29,000
Steel Co.	6	1940	6.43	95	92½	95	94	95	..	1,000
Sher. Williams	6	1941	6.77	91½	..	..	..	91½	..	1,000
Wayagamack	6	1951	7.97	78½	75	77½	77	77½	77	13,200
War Loan (1925).	5	1925	6.42	95½	92	94¾	94	94½	94	31,300
Do., (1931)	5	1931	5.73	95¼	90¾	94½	94⅛	94⅝	94	28,600
Do., (1937)	6	1937	5.27	98½	94½	94¼	97	97½	96½	50,100
Victory (1922)	5½	1922	6.04	99¼	97	99⅛	99	99⅛	98¼	224,750
Do., (1923)	5½	1923	6.05	99	95½	98¾	98½	99	98	171,200
Do., (1924)	5½	1924	6.51	98½	94¼	96½	96⅝	96⅝	95½	103,250
Do., (1927)	5½	1927	5.81	99⅛	95¼	98¾	98½	98⅞	97⅞	43,400
Do., (1933)	5½	1933	5.64	99	95⅛	98¾	98⅝	99	98	445,700
Do., (1934)	5½	1934	6.00	96⅛	92¼	95⅜	95¼	95½	95¼	639,050
Do., (1937)	5½	1937	5.52	100½	96½	99¾	99⅝	100	99⅛	543,450

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British imports for January show a decrease of sixty-six million pounds sterling, or 33 per cent. Exports [illegible] thirteen million pounds sterling. [illegible] drop in raw materials, chiefly [illegible] and cotton waste, accounts for the decline.

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CITY OF TORONTO
$5,037,000 SERIAL BONDS

Sealed tenders, endorsed "Tender for City of Toronto Bonds," addressed to Thomas L. Church, Esq., K.C., Mayor and Chairman of the Board of Control, will be received by the undersigned until 12 o'clock noon Tuesday, 22nd February, 1921, for the purchase of $2,500,000 serial bonds issued on account of the acquisition and rehabilitation of the Toronto Railway Company, also $2,537,000 serial bonds issued for school purposes.

Full details as to the purposes for which the bonds are issued, and amounts maturing annually, together with financial statement of the City, will be furnished on application.

The legality of the issues has been approved by Mr. J. B. Clarke, K.C., Toronto, and his favorable opinion will be engraved on each bond.

The bonds are an obligation of the City at large, are issued in coupon form, with provision for registration of principal, and are of the denomination of $1,000.

They are payable, both as to principal and interest, in Toronto, and carry interest at the rate of 6% per annum, payable half-yearly.

Engraved bonds will be ready for delivery on or about March 7th, 1921. Delivery and payment with accrued interest are to be made at the office of the undersigned.

Tenders will not be received for any part, but must be for the entire issue.

A certified cheque, payable to the undersigned, for 2% of the par value of the bonds tendered, must accompany the tender.

Tenders specifying for bonds other than those herein described, or containing conditions varying from the above, will not be considered.

The right is reserved to reject any or all proposals.

GEO. H. ROSS,
Commissioner of Finance.

Treasury Department,
City Hall, Toronto, Canada, February 10th, 1921.

FIELD OF MUNICIPAL FINANCE

DEFICIT IN 1920; ONTARIO EXPECTS ANOTHER IN 1921

Governmental Expenditures Showed Large Increases, Much on Salaries

ACCOUNTS IMPROVED

Few Changes Have Been Made In Form of Presentation —Still Room for Improvement

Another deficit for 1921 is the forecast of Hon. Peter Smith, provincial treasurer of Ontario. Revenue is estimated at $25,683,879, an increase over last year of $800,000, and estimated expenditures total $26,301,507, leaving an anticipated deficit of about $700,000.

A year ago the provincial treasurer foreshadowed another deficit in the provincial revenue, and the public accounts for the year ended October 31 last bear out his forecast. The deficit on current account, amounting to $802,743, was, however, smaller than the previous year's deficit of $1,559,803.

The total current receipts were $25,078,095, an increase from $19,904,772 in 1919. The chief increases were in the departments of lands, forests and mines, which netted $3,125,124 as against $1,968,342 in 1919; provincial secretary's department (licenses, letters patent, etc.), $2,471,496 as against $1,521,718; motor vehicles, $1,990,833 as against $1,580,106; succession duties, $3,891,979 as against $3,366,824; corporations tax, $2,947,701 as against $1,707,935. On the other hand, the one mill tax levied against the municipalities as a war tax, that provided $2,085,497 a year ago, was not available this year.

Capital Revenue Increases

Capital receipts were higher by about one million dollars, largely from loans, although the capital revenue from lands and forests amounted to $903,422, an increase from the previous year's figure of $787,394. Only in the past two years has there been any capital revenue from this source; formerly all revenue from lands and forests was included in current revenue, but realizing that revenue obtained through depletion of natural resources lessened the provincial assets, the present provincial treasurer adopted the plan of crediting a proper proportion of the receipts from this source to capital accounts.

Expenditures show an increase all around, higher salaries making up a large part of the total.

Payments to the Ontario Hydro-Electric Commission on capital account show a tremendous increase. In 1919 they amounted to $11,743,962, and in 1920 $18,076,500, including $6,000,000 on special warrant, and $12,076,500 as advances. Of this sum $11,285,000 went into the Chippawa development in 1920, in addition to the $4,450,000 put into that project in 1919.

Debt of Province $128,000,000

The gross debt of the province amounts to $128,191,754, with indirect liabilities of $31,560,299. Total assets are shown at $142,983,604, of which about $65,500,000 is in advances to Hydro projects. Estimated assets —resources—of the province are $503,000,000 while the total taxable property is over $2,000,000,000.

Despite the deficit on current account and a reduction of nearly $2,000,000 in cash on hand, the report indicates that the province had a very satisfactory year. Greatly increased expenditures on such unavoidable items as higher salaries, higher costs of commodities, etc., made a deficit almost certain from the first. In increasing its revenue so substantially, the province achieved a remarkable showing and kept the deficit at the minimum.

Changes in Form of Report

Some few changes have been made in the manner of presenting the accounts. Instead of showing current and capital revenue and expenditures in separate tables, they are shown in parallel columns opposite each department. But there is much to be done before the accounts will be in shape for intelligent analysis.

For instance, under civil government are shown many items of salaries, etc., that should be included under the specific department to which the official drawing the salary is attached. There are also numerous expenditures under special warrants and statutory expenditures that should be properly classified. The provincial debt should be divided into a number of classifications, indicating the purpose for which the money was spent. Other provinces, notably British Columbia, have already done much towards making the public accounts intelligible but Ontario has made little progress along this line.

PAID ALL ITS DEBTS WITH 50 CT. DOLLAR

County of Simcoe Now Has No Bonds Outstanding Against It.

Simcoe county, Ontario, is free of debt. All of the county's outstanding debentures, amounting to $62,907, were redeemed in 1920 at a profit, leaving the balance sheet clear of capital liabilities.

County Treasurer Quinlan has reviewed the county's position for the county council, showing that it was free of debt for the first time since its incorporation in 1843. Previous to that time, the county had been organized for military purposes, and in 1837 the legislature of Upper Canada authorized a loan to provide for the building of the court house and jail. When in 1843 the county became a full-fledged municipality with a county council elected by the people (the warden, however, being elected by the Government), it became necessary to borrow more money to complete the county buildings. A few years later, in 1850, when the project to build the old Northern Railway was under consideration, the county borrowed $50,000 with which to take stock in the company, and in 1873 $300,000 was borrowed and given as a bonus to the Hamilton and Northwestern Railway Company. Coming to more recent years, $50,000 was borrowed to build a house of refuge and purchase a farm, and, at various times, $140,000 to build good roads.

The money to pay off the debt has been obtained during the last four years when money was plentiful and the burden an easy one for the ratepayers to carry. Mr. Quinlan strongly approved of the wisdom shown in paying off the debt when the purchasing power of money has been reduced by at least one-half. Not only has the debt been paid off, but about $600,000 has been paid during the war out of the county funds for war taxes and patriotic grants. Coming to current accounts, the treasurer stated that the receipts from all sources in 1920 amounted to $673,079.30, of which $300,000 was for good roads. Of this $300,000, $250,000 has been spent or contracted for, leaving a balance of $50,000 of the moneys collected for good roads still in the treasury.

Money By-Laws

TENDERS WANTED

Feb. 3, Village of Point Edward.—$24,000, 7 per cent., Public School debentures. David Suhler, Clerk, Point Edward.

Mar. 26, Drumheller, Alta.—$28,000, 7 per cent., 20-year Hospital debentures. S. P. Williams, Sec.-Treasurer, Drumheller.

Feb. 28, Transcona. — $48,000, 6 per cent., 20-year school debentures. John M. Forbes, Sec.-Treasurer, P. O. Box 236, Transcona, Man.

Feb. 22, Toronto.—$2,500,000, 6 per cent., serial bonds, for acquisition of Toronto Railway; $2,537,000, 6 per cent. serial bonds for school purposes. Geo. H. Ross, Commissioner of Finance, City Hall, Toronto.

Feb. 21, Fort Garry, S. D.—$50,000, 7 per cent., various debentures. H. P. Crabb, Sec.-Treasurer, 400 Electric Railway Chambers, Winnipeg.

Feb. 19, Whitby—$60,000, 6½ per cent., 30-year school debentures. Joseph White, Treasurer, Whitby.

Mar. 7, Trail.—$37,000, 7 per cent., 20-year waterworks debentures. Wm. E. B. Monypenny, City Clerk, Trail, B.C. (See announcement on page 13).

R. M. St. Andrews.—$187,642.49 5½% 30-year good roads debentures. J. D. Forster, sec.-treas., Clandeboye, Man. (See announcement elsewhere in this issue.)

DEBENTURE NOTES

Halifax—The town of Amherst has twice recently called for tenders on an issue of $40,000 of 30-year, six per cent. bonds. On each occasion the town authorities considered they should have been offered a better price and they did get a better offer on the second occasion from the first. Perhaps this was what encouraged them to decide to try again. The figures are not given out.

Regina.—Regina will have a block of $100,000 debentures to place on the market in a month or six weeks to cover the cost of local improvements constructed last fall.

$5,000,000 PROFIT ON LIQUOR IN B.C.?

So Estimates H. B. Thompson, Former Food Controller of Canada

By Resident Representative.

VICTORIA.—H. B. Thompson, former Food Controller, estimates that the British Columbia Government will net an annual profit of between $5,000,000 and $6,000,000 through the sale of liquor, based on a turnover of approximately $30,000,000.

"If the business were efficiently handled, as I have no doubt it will be, it should have the result of cutting the individual taxpayer's burden in half and leave a sufficient amount to provide adequate funds for the maintenance of roads and hospitals and similar institutions."

The salmon canners of British Columbia have put before Premier Oliver a plan for exchanging canned British Columbia salmon for French liquor purchased by the Government. They claim that this scheme would facilitate financing, insure the purchase of the best grade wines and liquors and also provide a market for a valuable food commodity for which there is now small demand. The Government has taken the proposal under advisement.

CIVIC ASSESSMENTS IN ONTARIO PROVINCE

Highest Per Capita Assessment In Fort William; Lowest in Owen Sound

Total assessments, tax rates and populations of Ontario cities, according to 1920 assessment rolls, are as follows, according to the annual report of Assessment Commissioner Jas. C. Forman of Toronto:

Cities	Total Taxable Assessment	Per Capita	Tax rate in mills	Population
Toronto	$703,646,395	$1,372	30.5	512,812
Hamilton	127,642,060	1,112	35.	114,766
Ottawa	131,415,700	1,186	27.5P	110,738
London	54,209,296	917	40.	59,100
Windsor	48,570,916	1,306	34.	37,170
Brantford	25,178,505	767	40.	32,786
Kitchener	17,876,260	776	30.5	23,027
Kingston	16,001,577	715	36.5	22,368
Peterboro	19,302,760	895	35.	21,790
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
St. Catharines	18,625,050	937	36.	19,860
Fort William	33,051,872	1,676	36.	19,720
Stratford	12,452,224	660	39.5	18,848
Guelph	11,093,285	618	32.	17,922
St. Thomas	14,643,659	820	34.	17,850
Port Arthur	20,845,275	1,371	37.	15,201
Chatham	11,911,711	784	31.	15,182
Niagara Falls	11,722,466	791	32.5	14,805
Sarnia	13,141,625	947	40.	13,870
Galt	10,558,240	806	39.	13,092
Belleville	7,831,265	639	40. P 37.3S	12,240
Owen Sound	7,023,798	574	40.	12,218
Woodstock	6,359,243	615	37.7	10,333
Welland	6,968,905	744	33.	9,356
Brockville (town)	6,061,925	655	37.	9,254

P—Public school supporters.
S—Separate school supporters.

NO MATURITIES FOR FIRST THREE YEARS

This is Plan Toronto Will Follow With Street Railway Bonds

Serial instalment type of debentures will be issued by the city of Toronto for the financing of the acquisition of the Toronto Railway Company and for other important civic work for which funds must be found shortly. The bonds will begin to mature not from the first year but after three years from the date of issue.

This plan of postponing the initial maturity has been adopted by the Finance Commissioner in order to avoid heavy fare increases during the first years of civic operation of the street cars when large expenditures will be necessary both on current and capital account to rehabilitate the line, make necessary extensions and changes and provide new equipment.

The city is offering $5,037,000 of bonds for sale next week, of which $2,500,000 are for the street railway purchase. The city's maturities during the present year total $4,780,088 as against $4,165,637 last year, and it is evident that Toronto will be in the bond market considerably during 1921.

Since March, 1920, when factory employment reached its highest point in the State of New York, the reduction in working forces in factories amounts to 26 per cent.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Feb. 15	Iroquois Falls S.S.	A. Jarvis & Co.	6%	20-years	$45,000	97.00	6.28
Feb. 15	Fort Garry, Man.	A. Jarvis & Co.	6%	30-yrs.	80,000	.....	....
Feb. 15	Rockwood, Man.	J. A. Thompson & Co.	6%	30-ins.	52,853	95.77	6.45
Feb. 14	Portage la Prairie	A. E. Ames & Co.	6%	19-ins.	54,000	93.69	6.60
Feb. 17	Oshawa	Wood, Gundy & Co.,	6%	20&30	151,000	96.55	....

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CITY OF TRAIL, B.C.

SEALED tenders, marked "Tender on Debentures," will be received by the undersigned up to 8 p.m. on Monday, March 7th, 1921, for $37,000.00, 7%, 20 years straight term waterworks debentures. Denomination $500.00. Interest payable semi-annually. Principal and interest payable in Trail, Toronto or New York at option of holder. Interest coupons attached.

WM. E. B. MONYPENNY,
City Clerk.

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LABOR UNREST OVER?

Protects Against Loss Arising out of Riots, Civil War, Etc.—Meets Risks Not Covered by Ordinary Fire Policy

Faith in the ability of the radical elements in this country to infect the minds of the Canadian workingmen with the virus of unrest and insurgency has apparently lapsed. Owners of industrial and mercantile houses which during the past two years had bought heavily of insurance against riots in order to offset any possible loss to their property as a result of labor unrest are allowing their policies to lapse. They believe that the necessity for this insurance no longer exists in the same degree; that Canadian labor has passed the critical stage, and is not likely now to adopt Bolshevik practices in the country. Insurance companies, which handle this class of insurance, state that property owners are not reinsuring in any degree in comparison with the past two years.

Capt. J. E. Proctor, of the firm of Jones & Proctor, insurance brokers, of Toronto, pointed out to THE FINANCIAL POST that it is extremely improbable that there will be any revival of unrest in labor circles during the year. Whereas a year ago his company had advised their clients by circular to protect their properties by insurance of this form, they were not contemplating such action this year. The social unrest following the war, brought about by the mounting cost of living, together with the unstable basis of wages, had brought about a situation whereby there was a distinct menace to property in a number of centres of the Dominion from labor disturbance. The outstanding instance, of course, was the Winnipeg riots of 1919, as a result of which, however, real property loss was fortunately of small volume in comparison with the extent of the extremes to which the strikers resorted.

Meets Important Need

Riot insurance protects property from damage resulting from riots, civil war, civil commotion, strikes and fire or explosion directly arising out of any of these conditions. The ordinary fire insurance contract does not provide protection for property against damage arising out of such disturbances, and riot insurance therefore meets a very important need under special circumstances.

It was a little early, Capt. Proctor pointed out, to determine accurately the conditions that would exist among labor throughout the year. Contracts with the unions ended in the early spring, and disturbance often arose during the process of adjusting and arranging new contracts. Business men were, however, discounting the possibility of fairly normal conditions and were not investing largely in riot insurance.

Ordinarily, riot insurance does not make up a large part of the business of insurance brokers. There are a number of firms which carry such insurance regularly, however, especially those which employ chemicals in the process of manufacture which are liable to explosion. The risks incurred by such companies are not covered by the ordinary fire insurance contract. A contract can be arranged to cover loss from explosion, other than from boiler, and this affords protection against an ever-present menace in some firms.

REFORESTRATION IN U.K.

Big Program Being Carried Out to Restore Forests

LONDON.—The Forestry Commission established in November, 1919, for development and conservation of timber resources of the United Kingdom is reported to have planted in the first year of its existence 1,500 acres of land and to have acquired 90,000 acres for development and reforestration. According to tentative plan of organization, during the second year a further 5,000 acres will be planted. Program covers in its entirety period of at least ten years, and if plans under consideration are carried out a total area of 4,770,000 acres of forests will be provided in the United Kingdom. The commission has also obtained possession of tracts of land totalling more than 300 acres of nursery ground, and the program involves ultimate rearing of 24,000,000 seedlings annually.

HOUSE VALUES IN U.S.

Prices Slump on Feeling That Market Is Adjusting

WASHINGTON.—The Civil Development Department of the Chamber of Commerce of the United States in a statement on housing says that the belief on the part of prospective buyers that last year's high cost of houses cannot be maintained in a falling market is given as one of the main reasons why housing companies have encountered difficulty in trying to dispose of new houses during the past six months. The "clack" in employment is another reason attributed by housing companies sponsored by local chambers of commerce for the slump in the market. A survey completed by the department shows that some companies are willing to sell immediately at a sacrifice; others anticipate only a temporary slump, and are holding houses or renting them, awaiting sales.

ONTARIO'S FIRE LOSS REACHES $10,883,000

Slightly Higher Than 1919 Figures—A Favorable Showing

The fire loss for Ontario during 1920 was slightly higher than for the previous year, according to returns compiled by the department of the Provincial Fire Marshal. The fires during 1920 numbered 9,221, and the loss reached a total of $10,883,000 compared with 9,396 fires and a loss of $10,514,000 for 1919. In view of the fact that the record for 1919 was the best in many years, the fire loss for 1920 may be considered as having been restrained within very conservative limits, especially in comparison with the 1918 figures when the fires numbered 9,740, with a monetary loss of $15,673,000.

Fire Marshal Heaton, discussing the report for 1920, expressed himself as well pleased with the showing. The returns compared very favorably with the record year in view of the increase in construction during the year and the rapid growth of population. He accounted for the improvement by the recognition on the part of the citizens of the province of the vast economic waste that arose through carelessness, and the determination to reduce the fire loss to the utmost possible degree.

TRAVELLERS' LIFE REPORTS PROGRESS

A Very Satisfactory Growth Is Maintained in All Departments

The report of the Travellers' Life Assurance Company of Canada, as submitted to the annual meeting this week, showed very satisfactory increases in all departments. Policies issued and revived amounted to $3,810,387, an increase of 21.4 per cent. over the preceding year. Insurance in force has now reached the total of $11,412,089 against $8,805,175, being an increase for the year of 29.6 per cent. Net premium and interest receipts increased 31.3 per cent. to $396,762.20. This company has passed an important milestone in its career in the attainment of the million-dollar mark in total assets. The surplus to policyholders was increased in 1920 and now stands at $131,486.39.

The report indicates a healthy growth in all departments. Assets amounting to $1,011,512 compare with liabilities of $880,025. The total surplus security to policyholders amounts to $813,346. The mortality rate for the year was favorable, being only 50 per cent. of expected.

The old board of directors was reelected, the officers of the company being, president, Hon. George P. Graham; vice-presidents, J. N. Greenshields, K.C., Hon. Lorne C. Webster; secretary and actuary, Arthur P. Earle.

DUNLOP REORGANIZATION

LONDON.—Dunlop Rubber affairs, which attracted attention because of the disastrous slump in the company's shares in the last six months, have now been rearranged. The shareholders have authorized the directors to create a £6,500,000 bond capital, of which £5,000,000 will be issued. Of the latter, £3,000,000 is to be publicly offered on terms as yet unannounced.

CANADA NATIONAL FURTHER REDUCES FIRE LOSS RATIO

Notwithstanding Heavy Losses Throughout Dominion for The Year

FAVORABLE REPORT

Company Closes Best Year in History—Follows Conservative Policy—Outlook is for Larger Business

According to Government statistics the past year fire losses for the Dominion were the heaviest in a number of years, standing at more than $27,500,000. In spite of this adverse condition the report of the Canada National Fire Insurance Company indicates that the company has enjoyed the best year in its history, and thereby reflects very favorably upon the class of business enjoyed by this particular company. The company's fire loss ratio reached the very low level of 32.82 per cent. compared with 33.45 per cent. in 1919.

The gross amount of insurance in force by this company at December 31, 1920, was $36,891,896, an increase of $5,137,562 as compared with the figures of the previous year. The gross premium income amounted to $328,171, an increase of $40,794. The amount of insurance written by the company in 1920 was $26,364,244, the largest in the company's history. The total revenue for the year, which showed an increase of $33,094, was $370,290, and after providing for all management expenses, taxes, interest, etc., there remained a balance of $169,421, from which the sum of $110,503 was applied on dividends at 6 per cent. and $13,088 was transferred to the Dominion Government reserve. There was a balance of $45,828 which was carried to the net surplus for shareholders. In addition to this there is contingent reserve fund of $100,000, which, together with the total net surplus to shareholders of $343,414, brings the total reserves up to $443,414, or 23.97 per cent. of the paid-up capital.

During the year the surplus to policyholders was increased by the sum of $69,606, bringing the fund up to the total of $2,193,150. The following comparative table shows the distribution of revenue in the past two years!

Premium income	$202,742	$184,965
Profits	167,547	152,231
	$370,289	337,196
Fire losses	66,555	61,884
Expenses	130,777	109,604
Dividends	110,503	109,279
Depreciation	3,536	1,974
Bad debts	......	616
	$ 58,918	$ 53,839
Balance forward	442,071	388,232
	$500,989	$442,071
Reserve	157,574	......
Net surplus	$343,414	$442,071

Position of Assets

The management reports that material improvement was experienced in the matter of collection of interest and principal during the year on mortgage investments. In the matter of liquid assets the company maintains a strong position, having stocks and bonds and cash reserves amounting to more than $700,000, of which the greater portion consists of Dominion Government war bonds. The company's paid-up capital shows an increase of $23,778, now amounting to $1,849,736. Mortgage loans on real estate total $1,560,531, compared with $1,434,104.

At the annual meeting the report was approved by the shareholders. It was the general feeling that with the improvement of conditions throughout Canada which it was felt would be in evidence from now on, the volume of fire insurance would greatly increase, and this should result beneficially for the company. The management point out that while it is desirable to largely increase the volume of business, the fact that the quality of business should be given first consideration as compared with the volume of business would be kept in mind.

CYCLONE LOANS UNPAID

REGINA.—An echo of Regina's disastrous cyclone of 1912 is heard in the report of the city treasurer that the total amount registered by the city against borrowers from the cyclone loan fund was $337,082 at the end of December last. Of this amount $227,091 represents principal and interest in arrears. The report shows that during the year the city acquired title to four properties and four others are in the hands of the city solicitor for sale proceedings. The Y.M.C.A. building is included in the latter.

ALGONQUIN PARK

The months of February and March are two of the best months in the year to enjoy the attractions at Algonquin Park. Winter sports are at their height and the Highland Inn is the centre of a happy and congenial coterie of guests. Further information or booklet from any Grand Trunk Agent or write N. T. Clarke, manager, Highland Inn, Algonquin Park, Ont.

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1871 - 1921
FIFTY YEARS OF SERVICE
Sun Life Assurance Company of Canada
Head Office: Montreal

UNION CASUALTY
Canada's *Zenith* Company
Authorized Capital $500,000.00
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FIRE AND MARINE
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Canadian—Strong—Progressive
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Furnishes a Complete System of Insurance
Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
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HEAD OFFICE - TORONTO

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
A Canadian Company Investing Its Funds in Canada
APPLICATION FOR AGENCIES INVITED
TORONTO: 20 KING ST. W. W. H. George, Superintendent of Agencies

1870 --- OUR GOLDEN JUBILEE --- 1920
FIFTY-ONE YEARS OF STEADY PROGRESS
One of the most brief yet impressive histories of Canadian financial institutions is contained in the annual record of the Mutual Life of Canada. The current issue will be ready in a few days. A copy will be sent to you on application. It contains fifty-one successive summaries showing in ten parallel columns the increase from year to year of the company's various receipts, expenditures, etc. No other document could better convey the idea of solid uniform achievement, and the momentum of the advance is now greater than ever. The prospects are bright for a still more rapid expansion within the next few years. The assets of the company exceed $40,000,000 and the assurances in force have reached $206,000,000. There is a gross surplus of more than five million dollars over and above the amount necessary to guarantee all policies, so that the position of the company in spite of the strain of recent years is one of uncommon strength.
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA, WATERLOO, ONTARIO
HUME CRONIN, M.P., President - - - - CHARLES RUBY, General Manager

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5½% Interest Return
In a 5½ DEBENTURE of The Great West Permanent Loan Co.
SECURITY
Paid-up Capital $2,412,578.81
Reserves 964,459.39
Assets 7,086,695.54
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

WINNIPEG WAREHOUSE PROPERTY FOR SALE
Trustees' sale of valuable, down-town warehouse properties in the City of Winnipeg:
PARCEL 1.—Warehouse and property located at 185-187 Market Street East; 99 ft. x 99.2 ft.; highly modern, five-storey warehouse of stone and solid brick mill construction; 60,000 square feet, unexcelled business location, with trackage at rear. Possession given 1st July, 1921, or earlier.
Price and Terms on Application.
PARCEL 2.—100 ft. x 100 ft., valuable vacant wholesale site, being lots 11 and 12 St. John plan 45, known as 170 and 172 James Street; ideal trackage facilities at rear and immediately behind parcel 1; splendid location in the heart of the city. Price per foot, $500.00.
For further particulars apply to
THE STANDARD TRUSTS COMPANY
WINNIPEG, MANITOBA

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........................, 1921
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Address........
February 18, 1921

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CANADIAN CAR & FOUNDRY
6%
SEVEN YEAR NOTES
NOW *selling at a price to return 10%.*
The average earnings of the Company in the past three years after all prior deductions were equal to over fifteen times the interest on this issue.
There are outstanding behind the 6% Notes $7,500,000 of Preferred Stock and $4,975,000 of Common.
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MONTREAL

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets Over - - - [illegible]
Losses Paid Since Organization - - - $77,[illegible]
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bikerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

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Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - - $4,[illegible]
Losses Paid Since Organization, over - $47,[illegible]

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BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid-up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Tuesday, the FIRST DAY OF MARCH next, to Shareholders of record of 31st January, 1921.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st January, 1921.

The Royal Bank of Canada

DIVIDEND NO. 134

NOTICE is hereby given that a Dividend of Three Per Cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday the first day of March next, to shareholders of record at the close of business on the 15th day of February.

By order of the Board,
C. E. NEILL,
General Manager.
Montreal, Que., January 14, 1921.

Wayagamack Pulp & Paper Company, Limited

DIVIDEND NO. 5.

NOTICE is hereby given that a dividend of ONE AND ONE-HALF (1½%) per cent. has been declared on the Capital Stock of the Company for the Quarter ending 28th February, 1921, payable 1st of March, 1921, to Shareholders of record at the close of business on the 15th February, 1921.

By Order of the Board.
E. L. WILSON.
Secretary.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 136

NOTICE is hereby given that a dividend of Three per cent., upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st March, 1921, to shareholders of record at the close of business on the 13th day of February, 1921.

By Order of the Board.
JOHN AIRD,
General Manager.
Toronto, 21st January, 1921.

Dominion Steel Corporation Limited

COMMON STOCK DIVIDEND NO. 28.

A DIVIDEND at the rate of One and One-half per cent., being at the rate of Six per cent. per annum, upon the Common Stock of the Dominion Steel Corporation, Limited, has been declared, payable April 1st, 1921, to Shareholders of record on 5th March, 1921.

Holders of Share Warrants are notified that Coupon No. 28 will be paid on and after April 1st, 1921, on presentation at the Bank of Montreal, London, or Montreal.

By order of the Board of Directors,
C. S. CAMERON,
Secretary.
Montreal, February 9th, 1921.

DEPOSITORS NOT WELL PROTECTED IS ARGUMENT

Walter Gillespie Makes Counter Reply to P. V. Wilson

AS TO BRITISH CAPITAL

Claim Advanced that Outside Capital is What is Wanted and Present Difficulties Will Not Last

The discussion of the proposal before the Provincial Legislature to enlarge the powers of the mortgage companies in respect to the acceptance of savings deposits continues of live interest in financial circles, and the strong group favoring the change are finding stiff opposition from the older companies with strong British affiliations. The arguments of P. V. Wilson, manager of the Waterloo County Loan and Savings Company, who favors a wider field, have been met with counter arguments by Walter Gillespie, manager of the Toronto Mortgage Company, who writes the following letter to the editor of THE FINANCIAL POST:

Sir.—In your issue of 11th inst. appears a communication from the manager of the Waterloo County Loan & Savings Company re the proposal to grant Ontario mortgage companies largely increased deposit-taking powers.

Mr. Wilson says that "there does not appear to have been any reasonable argument advanced against" this proposal.

For his and your readers' information let me furnish a few reasonable objections.

(1) It is fundamentally unsound for a company, 75% of whose assets may be invested in time loans, to hold large sums of deposit money subject to call.

(2) The so-called protection to the public of such a company being obliged to carry 25% of its deposits in liquid assets of marketable securities is more imaginary than real, because, when the situation becomes so tense that the public lose confidence and withdraw their money, then it has been found that these securities are neither liquid nor marketable, except at a ruinous sacrifice.

(3) The money that Canada needs most to develop its resources is outside capital, not inside capital, otherwise it will be a case of the snake eating its own body in order to live, with the opposite result to the one intended.

(4) There exists to-day a straight and deep channel by which companies can import British capital into this country, which is temporarily—and only temporarily—closed because of the exigencies of the sterling exchange situation.

(5) That to abandon this well-known and much-travelled course for one that caused the disastrous crash of the Australian Land Banks in 1892 would be the height of folly for all concerned.

(6) That the British financial agents of many of our loan companies are cabling and writing their strenuous objections to the proposed scheme every week, pointing out that it is absolutely false finance, and if adopted will completely alter their hitherto favorable attitude towards Canadian land mortgage debentures.

(7) The royal road to success for a loan company is hard work, economy, prudent and intelligent management, gradually building up a good and growing business on the only sure foundations of paid-up capital and bona fide reserve fund—and there is no short cut to permanent success.

In the writer's opinion the Act at present in force, under which we are now operating, provides the only safe and sound way for a loan company to increase its deposit-taking powers, and that is by increasing its capital and reserve fund.

Yours truly,
WALTER GILLESPIE.
Toronto, Feb. 11, 1921.

LONDON AND WESTERN

Enlarged Business and Increased Profits Reported

With an increase in assets representing enlarged business of $736,491 in spite "of the distribution of several large estates and a distinct decline in the value of almost all securities and stocks," during the year, the London and Western Trusts Company reported profits of $73,932 for 1920, as compared with $66,327 for 1919 and $59,123 for 1918. Dividends took $35,000, and $30,000 was added to reserves; after paying taxes $1,500 was written off, reducing the surplus from $14,186 to $13,255. Following are comparative figures for three years:—

	1920.	1919.	1918.
Earnings	$73,932	$66,327	$59,123
Taxes	8,363	4,192	4,010
Net	$65,569	$62,135	$55,113
Bal. forward	14,186	8,051	9,938
	$79,755	$70,186	$65,051
Dividends	35,000	35,000	35,000
Reserve	30,000	20,000	20,000
Patriotic	.....	1,000	2,000
Written off	1,500	.....	.....
Balance	13,255	14,186	8,051
	$79,755	$70,186	$65,051

The total consumption of gasoline by motor vehicles in the United States was 4,018,000,000 gallons in 1920, according to estimates.

PREMIER TRUST

London Institution Continued Steady Expansion

Somewhat higher profits are shown by the Premier Trust Company, of London and Windsor. The earnings for the year 1920 were $7,349 as compared with $6,823 in 1919 and $4,727 in 1918. The record is as follows:

	Capital Account.	Guar. Account.	Estates, Trusts, etc.
1920	$141,362	$42,540	$443,567
1919	139,536	33,026	344,604
1918	137,941	21,776	307,486
1917	128,500	20,436	31,039

How the company's business has grown is shown in the record of liabilities which is as follows:

	1920.	1919.	1918.
Net profits	$ 7,349	$ 6,823	$ 4,727
Bal forward	1,065	2,015	1,865
	$8,414	$8,838	$6,592
Dividends	6,321	4,773	4,577
Reserve	2,000	3,000	...
Balance	93	1,065	2,015
	$8,414	$8,838	$6,592

EARNINGS SMALLER OF N.S. MORTGAGE

Company's Debentures Well Protected And Assets Are Large

Higher costs of management and a slight decline in gross earnings caused a decline in the net profits of the Mortgage Corporation of Nova Scotia from $45,303 in 1919 to $39,243 in 1920. Dividends took $29,775 of this amount, leaving $9,000 to be transferred to reserve as against $15,000 a year ago and $12,000 in 1918.

Following are comparative figures of profit and loss account for the past three years:

	1920.	1919.	1918.
Earnings	$73,884	$74,982	$68,294
Interest	16,668	17,453	16,346
Management	16,933	11,788	9,547
Directors	1,150	700	700
	$34,751	$29,941	$26,593
Net profits	$39,133	$45,041	$41,701
Bal. forward	110	262	154
	$39,243	$45,303	$41,855
Dividends	29,775	29,192	27,743
Reserve	9,000	15,000	12,000
Written off	.....	1,000	1,500
Patriotic	.....	.....	350
Balance	468	111	262
	$39,243	$45,303	$41,855

Features of the company's earning record for the past five years are here summarized:

Year.	Paid-up Capital.	Profits.	Div.	% on Av. Cap.	Earn. Rate
1920	$513,541	$39,133	6	7.9	6.4
1919	507,653	45,041	6	9.3	7.3
1918	499,145	41,701	6	9.0	7.2
1917	453,275	32,593	6	8.0	6.3
1916	384,310	31,611	6	9.5	7.3
1915	350,254	29,823	6	9.6	7.1

Mortgages held total $952,869, a decrease of $3,522. Real estate held is $4,821, a decrease of $1,156. All the mortgages are repayable by instalment, President F. V. Anderson points out, a feature that means that the securities of the corporation are always improving.

Total assets are $1,319,585, a slight decline from the previous year's total but are over four times liabilities to the public.

CROWN TRUST HAD LARGER DEPOSITS

Profits Substantially Increased With Growth in Estate's Accounts

An increase in estates, trusts and agency accounts from $3,878,200 to $4,535,190 indicates the expansion of the business of the Crown Trust Company in 1920, which resulted in an increase in profits from $44,326 to $55,100; in 1918 the profits were $34,754. Dividends took $30,000 and $10,000 was added to reserve, the balance increasing the surplus from $15,288 to $15,289. Following are comparative figures for the three years:—

	1920.	1919.	1918.
Profits	$55,100	$44,326	$34,754
Tax res.	.....	4,140	.....
Net	$55,100	40,186	$34,754
Bal. forward	15,289	55,102	50,348
	$70,289	$95,288	$85,102
Dividends	30,000	30,000	30,000
Reserve	10,000	50,000	.....
Balance	30,389	15,288	55,102
	$70,389	$95,288	$85,102

The following comparative summary indicates the company's growth since the outbreak of the war:—

	Capital Account.	Estates, Trusts, etc.	Total
1920	$943,561	$4,535,190	$5,478,751
1919	777,525	3,878,200	4,655,725
1918	692,153	2,362,424	3,054,567
1917	679,885	2,157,944	2,837,829
1916	675,271	1,931,096	2,606,367
1915	698,203	1,739,882	2,438,085
1914	555,572	1,908,186	2,463,758

The increase in capital account was largely due to the growth of public deposits from $205,153 to $352,603, and this was reflected in an increase in cash surplus from $24,846 to $185,759.

SOLD STERLING DEBENTURES AND TOOK THE PROFIT

This is Policy Followed By B. C. Permanent Loan

A BONUS DECLARED

Rapid Recovery in Company's Position is Shown after Several Years of Conserving of Resources

That sterling debentures are not being renewed under the conditions prevailing, and that a policy of redeeming them and taking advantage of the exchange rates prevailing is being followed, is explained by President D. H. Wilson, of the British Columbia Permanent Loan Company, in the annual statement to the shareholders. Mr. Wilson adds that it is proposed to continue this policy until more reasonable rates prevail and that in the interval it is anticipated that more aggressive selling of debentures in Canada will offset the curtailment in funds.

This policy was probably a considerable factor in the results of the year's operations, earnings of $254,849 comparing with $224,729 in 1919 and $208,560 in 1918. Expenses were slightly higher and interest charges substantially lower, the net profits of $126,468 comparing with $91,789 in 1919 and $76,289 in the previous year. Dividends at 6 per cent. and a bonus of 2 per cent. took $74,063 and $105,596 was added to reserve in addition to $10,000 allowed for contingencies, the balance of $41,326 comparing with $104,709 brought forward. Following are comparative figures for the past three years:

	1920.	1919.	1918.
Earnings	$254,849	$224,729	$208,560
Expenses	52,950	51,989	40,973
Interest	57,945	67,485	80,268
Taxes	17,486	10,566	10,530
Written off	.....	2,900	500
	$128,381	$132,940	$132,271
Net profits	$126,468	$ 91,789	$ 76,289
Bal. forward	*104,709	102,903	128,721
	$231,177	$194,692	$205,010
Dividends	74,063	.....	.....
Int. on stocks	192	1,429	2,108
Reserve	105,596	28,156	100,000
Contingent	10,000	5,000	.....
Balance	41,326	160,107	102,902
	$231,177	$194,692	$205,010

*Less dividend for 1919, paid 15th January, 1920.

The sum of $19,404 was also added to reserve, from premiums on capital stock being paid under instalments and from other sources, and now totals $725,000 or 78 per cent. of the paid-up capital.

The Debenture Situation

The effect of the policy of paying off foreign debentures is indicated in the fact that sterling funds were reduced from $517,812 to $423,449 and debentures placed in the United States from $315,940 to $129,818. At the same time currency debentures increased from $272,778 to $297,815 and savings deposits from $36,732 to $129,818. However, with some increase in paid-up capital and added reserves the total assets were slightly increased—from $2,908,445 to $2,917,422.

Mortgage loans showed a decrease during the year and the company increased its holdings of Government bonds by $123,521. A marked improvement was shown in the interest receivable account, the total standing at $33,991 as against $48,319 a year before; this $33,991 has not been taken into the profit and loss account.

The showing of profits on both investment and capital was very satisfactory. Features of the company's earnings record in recent years follow.

Year.	Paid-up Capital.	Profits.	Div.	% on Av. Cap.	Earn. Rate
1920	$926,721	$126,468	6+2	13.6	7.5
1919	923,721	91,789	6	9.9	6.5
1918	923,290	76,289	--	8.3	4.3
1917	923,290	45,729	--	5.0	2.8
1916	923,290	57,536	--	6.2	3.3
1915	923,290	52,200	5	9.2	3.3

Altogether the report is one which should be reviewed with considerable satisfaction by the shareholders considering the difficulties of some years ago. The conservative policy of rebuilding assets and resources has been amply justified by the results now being shown.

DROPS OUT OF UNION

REGINA.—After being a member of the Union of Canadian Municipalities for a number of years, the city of Regina has decided not to renew its membership to the Union, on the ground that little or no tangible benefit accrues to membership by western municipalities. City aldermen declare that practically all the conventions of the Union are held in Eastern Canada and that no opportunity is afforded western municipalities to have their problems dealt with.

The IMPERIAL LIFE ASSURANCE CO.
OF CANADA
HEAD OFFICE TORONTO

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AGENCY WANTED

BRYCE & COMPANY, LIMITED
MANUFACTURERS' AGENTS
WINNIPEG, MAN.

Calling on the Dry Goods and Men's Furnishing Trade of Western Canada from Port Arthur to Victoria, having been agents for the Williams, Greene & Rome Co., Ltd., of Kitchener, Ontario, for over thirty years and discontinuing this Agency on account of that business being sold to Cluett, Peabody & Co., Limited

Desire To Secure

a good Agency to replace same. Agencies to the Wholesale Dry Goods trade are of interest.

RESIDENT SALESMEN IN
WINNIPEG REGINA CALGARY VANCOUVER
5 sets of Samples [illegible]

Present Agents For

Penmans, Limited, Paris, Ont. (The retail trade only).
Watson Manufacturing Co., Limited, Brantford, Ont.
The Central Agency, Limited, Montreal, Quebec.
If interested, and for full particulars, write

BRYCE & COMPANY, LIMITED
BOX 238, WINNIPEG, MAN.

Fifty Dollars a Month

(Guaranteed to you by the Canada Life)

You know of men well up in years who are still "drudging along". They cannot stop if they would, but must go on to the end of their days working for a living. You can avoid that

Why Not Pension Yourself?

Why not "take stock" of your present financial position—to size up your personal affairs and decide on a plan for the future?

Our New Pension Plan

guarantees that upon reaching a certain age in life, you will receive a *monthly* cheque for $50.00, $100, $200, $250—as you may now decide—and this monthly payment cannot cease as long as you live

An Income for Life

Think what it may mean to you to be certain of an income right up to the end of life, when you consider that 97% of people in their later years are partially or wholly dependent upon others for support

When they were younger they did not have the chance now offered you It was not then possible to secure such a convenient and certain provision as this Monthly Pension Plan

And This is Not All

Suppose some day before you reach age sixty you meet with a mishap and become totally and permanently disabled through accident, illness or any cause (Such a thing has happened soon after men have secured this new policy of the Canada Life.) Immediately, the payment of further premiums would be cancelled The Canada Life would become responsible for sending you $50.00, $100 $200, $250, a month, as arranged, for the rest of your life

There are many other benefits

An average deposit of only a few dollars a month will return you $50.00 a month later on

Do Not Pass This By

Canada Life

Home Office
TORONTO
Canada

FILL UP— — —CUT OFF— — — —MAIL TODAY
Canada Life Assurance Company, Toronto:

BALDWINS PLAN TO MAKE A BOND ISSUE IN CANADA

Would Follow Action in Increasing Capital in England

THE POWER SHORTAGE

Has Been a Serious Handicap—Operations To Be Enlarged When More Energy is Available

A special meeting of Baldwins', Limited, held in Birmingham, England, on January 26, authorized the increase of the capital of the company from £7,000,000 to £8,000,000. One million ordinary shares of one pound each is to be the amount of the new issue. As is well known, the British company is the parent and holding company for Baldwins' Canadian Steel Corporation, Limited. While there is no stock of the company publicly held in Canada it is understood that an issue of bonds is contemplated during the spring of 1921.

Commenting on the new stock issue Hugh Russell, of Toronto, explains that this increase of stock will have no effect whatever on the Canadian company other than that the capital stock of the Canadian company is held entirely by the holders of the British stock, the two directorates being largely similar. Mr. Russell intimated that the future for business in 1921 was considered good, and that the Canadian company was prepared to complete the second unit of its plant as soon as Chippawa power is available.

Power Shortage Delays

As will be remembered, a threatened shortage of power became a serious obstacle to the company shortly after its selection of the site at Toronto. It had been originally intended to erect two units each of eight mills, and on this basis machinery and equipment were ordered and largely installed. When the shortage of power became evident a change of plans was necessary and the completion of the second unit was postponed. The greater part of the [illegible] work, however, had been done upon this second unit, so that it is at present practically in such a position that once the supply of power is arranged it could be completed and erected in approximately six weeks.

Mr. Russell explained that a satisfactory settlement had been arrived at with the town of Collingwood. It will be remembered that the Baldwin Company was restrained by the mayor from moving machinery from certain premises which the company had purchased in that town. It appears that the Baldwin Company purchased the property in good faith, having assurance that there were no debts or liabilities against it. The mayor, however, thought otherwise, claiming overdue taxes in excess of $200,000, and refusing to permit the moving of machinery until same was paid. This caused an annoying delay and inconvenience to the new company, an inconvenience for which the managers were not, in any way, to blame.

WIDER POWERS FOR LOAN COMPANIES

In Matter of Taking Deposits—Opposing Views on Question

In his report to the Ontario Legislature, V. Evan Gray, registrar of loan corporations, refers to the agitation that is now under way on the part of certain of the loan corporations of the province for an extension of the limits of receiving deposits. Some agents for British investors in loan company debentures, he points out, have for many years looked coldly upon the extension of the deposit business of Canadian loan companies for the reason that the Canadian depositor is believed to be in a preferred position because of his right to withdraw his deposit moneys on short notice. Their influence has been sufficient to induce some companies who have access to the British money market not to exercise their right to take deposits. The fear is now expressed by some Canadian companies that any extension of the present statutory limit of deposits might result in a withdrawal of British money now invested in loan companies' debentures. Other British agents hold a directly contrary view. They state that the opinion above quoted has long since been disproved, and the present disposition of the British investor is to regard the increase in deposits of Canadian companies as an indication of local confidence in the company receiving them, and therefore an additional inducement to the British investor.

It is probable that the legislature will consider the advisability of extending deposit limits during the present session.

TO MEET IN MONTREAL

Eastern Directors of Union Bank to Inaugurate New Policy

Inaugurating a policy of holding monthly meetings in Montreal the Eastern directors of the Union Bank of Canada will, for the first time, assemble there on Tuesday next, February 22. The continued development of the bank's business in Eastern Canada, with the expansion of its system to 120 branches in Ontario, Quebec and the Maritime Provinces influenced the decision which was made at the recent annual meeting in Winnipeg.

The following directors and officials will attend next Tuesday's meeting: Sir William Price, Quebec, honorary president; G. H. Thompson, Quebec, and Stephen Haas, Toronto, vice-presidents; Sir John W. Carson, C.B., Montreal; Hume Blake, B. B. Cronyn, Toronto; S. E. Elkin, M.P., St. John, N.B.; R. O. McCulloch, Galt; H. B. Shaw, Winnipeg, general manager, and Geo. Wilson, assistant general manager, Toronto.

The Wabasso Cotton Co. Limited

DIVIDEND NO. 13

NOTICE is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending March 31st, 1921, payable April 2nd, 1921, to shareholders of record at the close of business on the 15th of March, 1921.

By order of the Board,

JAS. R. RITCHIE,
Secretary-Treasurer.

Woods Manufacturing Company, Limited

Common Stock Dividend Notice.

THE regular quarterly Dividend of two per cent. (2%) on the COMMON STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending February 28th, 1921, has been declared payable March 1st, 1921, to Shareholders of record February 22nd, 1921.

By Order of the Board.

JOHN T. F. KEENE,
Secretary-Treasurer.

Montreal, February 15th, 1921.

FIRST IN CANADA

One of the most remarkable reforms in modern Life Assurance methods is the issuing of policies without Medical Examination. This was first introduced into Canada by the Northwestern Life Assurance Company three years ago.

It has proved such a popular form of policy that now, after our three years' successful operation of this plan, other Canadian Life Companies are following our lead, thereby endorsing the far-sighted and progressive methods of the Northwestern Life.

There is no trouble or delay in taking out this policy—and no medical examination.

Other offices take only $1,000—we take up to $2,500 without Medical Examination.

The Northwestern is a good company to insure in, and a good company to represent.

Head Office:
166 Donald Street, Winnipeg

The NORTHWESTERN LIFE ASSURANCE COMPANY
NORTHWESTERN BUILDING
WINNIPEG CANADA
J. F. C. MENLOVE, PRES. H. R. S. McCABE, MGR. DIR. F. O. MABER, SEC-TREAS.

133

GOING TO LAND OF ESKIMO IN COMFORT

Up-to-date Facilities Being Provided in the Wake of the Oil Discoveries

By Resident Representative.

EDMONTON.—Important developments in river and lake transportation in the north country are expected from the recent amalgamation of the Lamson & Hubbard steamboat service and the British Columbia Express Company, forming the new Alberta and Arctic Transportation Company. The boats formerly operated on the Mackenzie and Peace River routes by the Lamson & Hubbard Company have been taken over by the new concern, with two heretofore running on the Fraser for the British Columbia company.

A general carrying business will be done by the Alberta-Arctic Company, with a service running right to Fort McPherson and the Arctic coast and covering also the Peace River route. The development of the northern oil industry is expected to furnish a good part of the line's business, but it is the intention to cater also to the fur trade and to everything else in its territory that needs carrying. The new merger has taken out a Dominion charter, and Toronto will be its head office, with Charles Millar as president and Archibald Hutchison vice-president. Edmonton will be headquarters for the operating service.

Two other steamboat lines will be operating on the Arctic route this season, the Hudson's Bay Company and the Northern Trading Company. It is possible now to take passage on a comfortable, electric-lighted steamer to Eskimo-land, and an increasing number of people are doing it each year. A return ticket from Fort McMurray to the end of the line costs $257, with meals and berths extra.

EDINBURGH AGENTS OPPOSE EXTENSION

Meeting in Scotland Disapproves of Proposed Loan Legislation

At a meeting in Edinburgh, Scotland, this week of the agents of the Canada Permanent Mortgage Corporation, the Huron and Erie Mortgage Corporation, the Ontario Loan and Debenture Company, the Landed Banking and Loan Company, the Hamilton Provident Loan Company and the London and Canada Loan and Agency Company, the proposal to increase the borrowing powers of the loan companies of Ontario was unanimously disapproved. The agents disapproved of any attempt to alter the present deposit ratio on the ground that such action would be prejudicial to the present debenture holders and fatal to future Scotch business.

Information to this effect was received in a cable to the Toronto Mortgage Company, and it has been forwarded to the Ontario Government.

POLITICS TEND TO CLOUD THE BIGGER ISSUES

Continued from page 1

Premier Meighen makes that issue almost obtrusively plain in the speech from the throne; but there is reason to believe that the coming revision will be marked by a spirit of moderation and that the general incidence of the tariff will be downwards.

To Clear the Air

So far as is known, this is the first time that a party policy has been incorporated in the speech from the throne. That document is usually completely colorless so far as partisan politics are concerned. This move may be intended to provoke a discussion of and declarations on the principle of protection before the tariff itself is brought down. It is suggested that it may have the effect or is intended to have the effect of definitely placing the Liberals with the Farmers who demand a radical revision of the tariff.

It is probable that the tactics of the Government are designed to line the House up on this question so as to find just where the different elements stand before the budget comes down. The premier has declared that he has been unable to find out what the policy of the Liberal leader is, and may try to force the issue early in the session. If such are the tactics, they have been countered for the present at least by the leader of the opposition, who impeached the Government as long exceeding its mandate, but moved merely a vote of want of confidence, in which the other opposition wing can join without committing themselves in any way.—T.M.F.

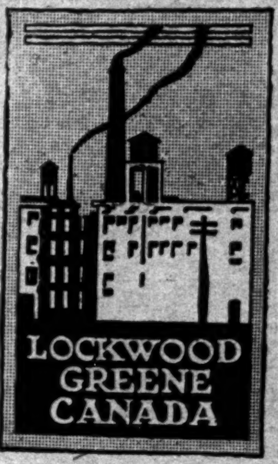
READJUSTMENT NOW IN SIGHT IN STEEL MARKETS

Continued from page 1

facturing industries generally are facing many serious and difficult problems and many of them will suffer losses during the period of readjustment, but generally speaking industry at the moment is in a sound position financially and should be able to weather the storm successfully with intelligent legislation as to the tariff and taxation and a willingness on the part of the employee to meet the employer half way on the basis of a business proposition with mutual advantages.

Under the circumstances the manufacturer, business man, and investor are keeping one eye on the situation at Ottawa and endeavoring to concentrate on the business issues which are being largely clouded by politics. Despite the tactics of the opposition the agitation for an early election is not taken seriously. There are many important issues to be dealt with and the members owe it to the country to give them their serious consideration. The financial obligations of the nation are heavy and the situation demands a taxation program which will produce necessary revenue without handicapping production or discouraging the investment of capital or the development of industrial or agricultural enterprise.

Greater Production



From the Same Plant

Your present buildings can be arranged to take care of growing production needs until construction costs come down. Consult LOCKWOOD, GREENE—specialists in Expansion without Confusion.

At your invitation, we will study your problem with you—construction, extension, equipment, engineering, staff, or labour. We prepare plans with the accumulated experience of many kindred operations.

LOCKWOOD, GREENE & CO. OF CANADA LIMITED
285 Beaver Hall Hill, Montreal.
INDUSTRIAL ENGINEERS

"Forty-Sixth Annual Statement"

The Standard Bank of Canada

To the Shareholders:

The Directors beg to present the following Statement of the business of the Bank for the year ending 31st January, 1921:—

PROFIT AND LOSS ACCOUNT

Cr.	
Balance forward, January 31st, 1920	$ 360,537.09
Profits for the year ending January 31st, 1921, after deducting expenses, interest accrued on deposits, rebate for interest on unmatured bills, Provincial taxes, and making provision for bad and doubtful debts	784,369.95
Received from Premium on New Stock issued	226,500.90
	$1,371,407.94
Dr	
Dividend No. 118, paid May 1st, 1920, at the rate of 14% per annum	$ 122,500.00
Dividend No. 119, paid Aug. 2nd, 1920, at the rate of 14% per annum	122,500.00
Dividend No. 120, paid Nov. 1st, 1920, at the rate of 14% per annum	122,500.00
Dividend No. 121, payable Feb. 1st, 1921, at the rate of 14% per annum	125,220.25
War Tax on Note Circulation	35,043.75
Reserved for Dominion Income Tax	40,000.00
Contribution to Officers' Pension Fund	25,000.00
Written off Bank Premises Account	100,000.00
Transferred to Reserve Fund	300,000.00
Balance carried forward	378,643.94
	$1,371,407.94

GENERAL STATEMENT

31ST JANUARY, 1921

LIABILITIES

Notes of the Bank in circulation		$ 6,134,000.00
Deposits bearing interest (including interest to date)	$53,011,997.68	
Deposits not bearing interest	14,377,712.46	
		67,389,710.14
Dividend No. 121, payable 1st February, 1921		125,220.25
Former Dividends unclaimed		566.50
Due to Dominion Government		4,494,000.00
Balances due to other Banks in Canada		1,393,754.18
Balances due to Banks and Banking Correspondents elsewhere than in Canada		840,843.35
Acceptances under Letters of Credit		822,987.06
Liabilities not included in the foregoing		2,253.08
Capital paid up		3,802,001.20
Reserve Fund		4,800,000.00
Balance of Profit and Loss Account carried forward		378,643.94
		$90,183,979.70

ASSETS

Current coin held by the Bank	$ 1,770,638.06	
Dominion Notes held	10,982,189.00	
Deposit in the Central Gold Reserves	2,400,000.00	
		15,152,827.06
Notes of other Banks	406,445.00	
Cheques on other Banks	4,230,348.74	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	1,980,053.47	
Dominion and Provincial Government Securities not exceeding market value	4,469,234.62	
Canadian Municipal Securities and British, foreign and colonial public securities other than Canadian	6,816,973.26	
Railway and other bonds, debentures and stocks not exceeding market value	853,307.32	
Call and Short (not exceeding thirty days) Loans in Canada on bonds, debentures and stocks	2,528,164.32	
		21,284,526.73
		$36,437,353.79
Other Current Loans and Discounts in Canada (less rebate of interest)		50,896,884.35
Liabilities of Customers under Letters of Credit as per contra		822,987.06
Overdue Debts, estimated loss provided for		105,768.50
Bank Premises, at not more than cost, less amounts written off		1,593,502.21
Deposit with the Minister for the purposes of the Circulation Fund		175,000.00
Other Assets not included in the foregoing		152,483.79
		$90,183,979.70

RESERVE FUND

Balance forward, January 31st, 1920	$4,500,000.00
Transferred from Profit and Loss Account	300,000.00
Balance at Credit, January 31, 1921	$4,800,000.00

W. FRANCIS,
President.

C. H. EASSON,
General Manager.

Toronto, 31st January, 1921.

AUDITOR'S REPORT TO THE SHAREHOLDERS

I have compared the above Balance Sheet with the books and accounts at the chief office of The Standard Bank of Canada, and the certified returns received from its branches, and after checking the cash and verifying the securities at the chief office and certain of the principal branches on 31st January, 1921, I certify that in my opinion such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of my information, the explanations given to me, and as shown by the books of the bank.

In addition to the examination mentioned, the cash and securities at the chief office and certain of the principal branches were checked and verified by me at another time during the year, and found to be in accord with the books of the Bank.

All information and explanations required have been given to me, and all transactions of the Bank which have come under my notice have, in my opinion, been within the powers of the Bank.

G. T. CLARKSON, F. C. A.,
of Clarkson, Gordon & Dilworth, Toronto, Canada.

Toronto, February 14th, 1921.

LARGE CREDITS PROPOSED FOR EXPORT TRADE

British and United States Firms Urge Action to Stimulate Exports

NEED FOREIGN TRADE

Conditions of English and American Industry, Also European Necessity, Demand Solid Basis of Commerce

The revival of export trade, being admittedly the most serious as well as the greatest monetary problem facing most countries, is receiving exhaustive study and attention by authorities of international commerce and finance the world over. Out of the multitude of views and opinions expressed by press and Government, two great ideas thrust their possibilities and dangers on public observation. First, that if present methods of balancing commodity purchases against gold is to continue, definite action will be required between the various governments. Second, unless some such arrangement is consummated, we may easily find ourselves back in the romantic days of merchant ships, bartering goods from port to port of the world.

Needless to say, the latter system of commerce is too cumbersome to be adapted to the world's present-day trade. Neither would it permit of the volume of international business so imperatively necessary.

The solution of the exchange problem is declared by some to be necessary before trade can flow. Others maintain that we can only correct adverse exchange by commencing to export. The question is entirely one of how and where to begin. It is interesting to note that the proposals made to the Soviet Government by the London Chamber of Commerce and the British Board of Trade have been received favorably in Moscow. Some definite announcement may therefore be expected soon.

The British Situation

Reports from English sources indicate that labor agitators and Government officials alike recognize the *need of a sound financial basis for trade with the continent.* J. H. Thomas, M.P., expresses the situation thus:

"The whole force of public opinion ought to be brought to bear on this issue. There is a blockade of trade today because of the failure of exchanges. On the other side of the English Channel are great markets hungry for our goods; on this side a million men are out of work because there is no bridge of trade credit to connect the two."

The willing co-operation of banks and insurance companies is shown in the progress of their conferences with the Government as reported by the lobby correspondent of the London Daily Express:

A step forward was taken yesterday with the scheme for establishing credits to restore the export trade.

After a long conference between Sir Robert Horne, representing the Government, the leading bankers, and representatives of accepting houses and insurance companies, a committee of bankers and accepting house representatives was set up to consider a possible scheme.

The attitude of the bankers was distinctly sympathetic to the proposal, though some of them felt it necessary to emphasise that, in view of the risks involved, they must move with great care. The financial considerations are indeed of such magnitude that a working scheme is not to be expected immediately.

American Situation

In a review of conditions in January, issued by Armour & Co., of Chicago, the effect on the United States is indicated:

A nation so productive as the United States is finding it extremely difficult, if not wholly impossible, to adjust its economics to purely domestic limitations as they were measured in dollars and cents prior to the war.

"That the revival in export trade will come seems now entirely dependent upon the stabilizing of international politics. It is hoped that the incoming National Administration will consider and determine its international policies among the very first of its official actions. Peace with Germany seems to be essential; it is indeed necessary for any worth while resumption of the activities of the War Trade Board, which has been revived in an effort to stimulate exports."

The Opposite View

On the other hand, Frederick Goodenough, chairman of Barclay's Bank, described the credit schemes as "mere palliatives." He continued:

"They will act only very slowly, and, so far as we can see, they will not provide a remedy as quickly as the disease of unsound currency will drive those countries into bankruptcy. . . . Although a great volume of credit has already been granted to Europe since the Armistice, so little progress has been achieved that it would seem that organized international action is needed before any satisfactory results can be secured."

Problem of Control

International assistance is Mr. Goodenough's panacea for Central Europe's troubles to enable the various Governments "to tide over the interval of time until they can reorganize their internal position by the adjustment of revenue and expenditure and by trade." This would mean the issue of international securities, which, in their turn, would involve international control. Here, however, is the only real difficulty, especially in the case of Russian trade. Though open forums and strident-tongued labor orators may laud the democracy of Russia and urge extensive trade, no business man, however speculatively inclined, would feel that his credits were sound in the empire of Sovietism.

It is when the details of any form of control come to be settled that difficulties are feared. However, a semi-bankrupt country, willing enough to accept a loan, cannot raise many sound objections to an interference with its internal government, that is, in comparison, no greater than would be willingly accepted by any ordinary business house under conditions of similar necessity. Undoubtedly the root of the trouble is the unsound financial methods employed by the Governments most needing help. It is to be hoped that arrangements of control and operation will be quickly evolved, that the normal flow of trade may be resumed.

SASKATCHEWAN HAS THE OIL FEVER, TOO

Imperial Oil Company and Provincial Government Lead In Making Tests

By Resident Representative.

REGINA.—Alberta will not be alone in exploring its lands this summer for oil and mineral wealth. While oil has not yet been struck in Saskatchewan, great efforts will be put forth to find "gushers." The Imperial Oil Co. have sunk shafts in many parts of the province, while independent prospectors are also in the field, with the result that hundreds of thousands of dollars are being spent throughout the northern parts of Saskatchewan particularly.

With the stimulus of the oil discovery at Fort Norman a flurry of the excitement has struck Saskatchewan and Swift Current interests have secured property adjoining the test well being sunk by the Imperial Oil Company near Consul, Sask.

Not so much with the idea of finding oil, but with the intention of making known the resources of northern Saskatchewan, another exploring expedition will be sent by the Provincial bureau of labor and industries this year if the money is forthcoming to finance it, declares Hon. C. A. Dunning, minister in charge of this Provincial Government department. Several months ago a Provincial Government party spent several months on an exploration trip to the north, but a full report of their findings has not yet been made.

HUDSON'S BAY CO. AND PRICE WAR

Superintendent Sinclair Says No Effort to Kill Opposition

By Resident Representative.

EDMONTON—So far as northern Alberta and the Mackenzie-Athabasca district are concerned, there is no effort on the part of the Hudson's Bay Co. to kill out its opposition by means of a price war, says C. C. Sinclair, superintendent of operation in the north. Nor is the report taken seriously here that such a war is on in northern Saskatchewan.

The H.B.C. management, declares Mr. Sinclair, is not trying to run out the other traders, and if there is any war in the north it has started the other way about. The Company began the season's operations with a lower price schedule than most of its competitors, and while it has since raised the prices for most kinds of pelts from 40 to 50 per cent., this has been done merely to meet the advances made by rival traders. The independent traders, says the Edmonton manager, are responsible for any price-boosting now going on, and not the older and larger companies.

ALBERTA SALT MINE

By Resident Representative.

EDMONTON—Application has been made to the Dominion Department of the Interior by Hon. J. L. Cote, minister in charge of the Alberta Mines Branch, for a lease of the area on which the provincial government has been carrying on salt-mine drilling at Fort McMurray.

A well was sunk at the northern salt-bed last year, and late in the fall the drillers struck salt in commercial quantities and of a quality that has since tested out to be strictly high-grade. If the lease is granted, the government will sink a shaft and arrange for development on a commercial scale.

B. C. PACKERS TO POOL FACILITIES FOR PRODUCTION

To Reduce Costs By At Least Forty Per Cent.

MARKET DEPRESSED

Canners Taking Steps to Make It Possible to Prevent Loss on Present Surplus Products

VICTORIA.—In order to cut operating costs to the minimum and thus make it possible to dispose of large quantities of salmon already canned and at present without a dependable market, the salmon packers of British Columbia have evolved a combination plan which will result in temporarily pooling the production facilities of several of the plants.

One cannery, for instance, will take the fishing gear of two others and will by working to capacity, put down the pack for three companies. This will naturally reduce the overhead expense. For the past six years most of the canneries have been working at no more than 20 per cent. capacity. On Rivers Inlet there are about ten plants, and it is estimated that two plants, operating on full time, could pack as much as the ten during the season.

The salmon market is depressed at present, and operators are convinced that if the period ahead is to be survived without serious losses heavy reductions must be made in operating expenses. Alaska reds are now selling on a basis of $2.75 per dozen in the London market, f.o.b. Pacific coast. For some reason unknown to the Pacific trade Siberian one-pound flats at the same price are more popular than the Alaska pack.

By operating one plant in three or four, but using all the boats, gear and fishermen of the three plants, at least 40 per cent. of the cost of production can be eliminated, the packers believe. Nearly every concern has agreed to pack no more of the lower grades, such as chums and pinks, for which there is virtually no demand. The new co-operative plan applies solely to the packing of sockeyes.

REORGANIZATION OF B.-A. NICKEL CORP.

Fresh Capital Expected From Norwegian Interests

The position of the British American Nickel Corporation is attracting attention just now due to the refinancing plans which this industry is negotiating. According to Geo. H. Cassells, the company is expecting almost immediate confirmation of the completion of their negotiations with the State Bank of Norway of approximately two millions of dollars which will be used to liquidate the obligations of the company and protect its interests till a revival of trade creates a demand for the product.

It is understood that the directors of the State Bank of Norway have approved of the advance of credit after an exhaustive inspection of the property, which proved most satisfactory.

Dr. S. Eyve, on behalf of the Norwegian Government, completed investigations on which he reported that the refinery at Deschenes was in splendid shape, and up to date in every particular. Accordingly, a reorganization has been worked out, which, it is felt, will enable the company to operate.

It will be remembered that the British Government is interested to the extent of approximately three million dollars. This occurred during the war in order to control the shipments of nickel, which, it was learned, had been getting into enemy hands.

In addition to the debenture stock issues, which are widely distributed in small holdings in Norway, there are approximately $6,000,000 of first mortgage debentures. The new financing will doubtless be secured by a bond issue ranking senior to the present issues, though subject, naturally, to the liens held by banks on account of advances.

The condition of the market for nickel at the present time is, however, most unfavorable. In common with other such industries, the company is holding large stocks that cannot be moved. The action, therefore, of the Norwegian interests in providing support at this juncture indicates not only faith in the company, but confidence in the growth of industry in Norway and Europe to provide a market for the product.

The Ontario Equitable Life and Accident Insurance Company

HEAD OFFICE - WATERLOO, ONT.

BEGAN BUSINESS NOVEMBER 23rd, 1920

SALIENT FEATURES OF THE FIRST ANNUAL REPORT FOR YEAR ENDING DECEMBER 31st, 1920

Total Receipts **$150,632.94**	Insurance in Force **$1,053,300.00**	Reserves **$20,278.00**
Gross Assets **$174,984.76**	*ONTARIO EQUITABLE POLICIES MAKE INSTANT APPEAL*	Gross Surplus **$99,632.79**

They contain a Double Indemnity Feature, a Special Disability Clause, Liberal Guarantees. Up-to-date Benefits and Privileges and give the Maximum Insurance at Minimum Cost.

SPLENDID AGENCY OPENINGS THROUGHOUT ONTARIO AND THE MARITIME PROVINCES

M. P. LANGSTAFF, A. I. A., F. A. S., Assistant Manager and Actuary — F. C. TWEED, President and Managing-Director

The Ontario Equitable Life and Accident Insurance Company

HEAD OFFICE - WATERLOO, ONTARIO

LONDON JOINT CITY & MIDLAND BANK

LIMITED

ESTABLISHED 1836

Authorised Capital - £45,200,000 Paid-up Capital - £10,859,800
Subscribed Capital - 38,116,050 Reserve Fund - - 10,859,800

DIRECTORS:

THE RIGHT HON. REGINALD McKENNA, *Chairman*

WILLIAM GRAHAM BRADSHAW, Esq., C.B.E., ALEXANDER H. GOSCHEN, Esq., *Deputy Chairmen*

THE RIGHT HON. LORD AIREDALE, Leeds.
SIR PERCY ELLY BATES, Bart., G.B.E., Liverpool.
ROBERT CLOVER BEAZLEY, Esq., Liverpool.
SIR JAMES BELL, Bart., C.B., Montgreenan, Ayrshire.
WILLIAM BENNETT, Esq., London.
WILLIAM T. BRAND, Esq., London.
WALTER S. M. BURNS, Esq., London.
THE RIGHT HON. LORD CARNOCK, G.C.B., London.
STANLEY CHRISTOPHERSON, Esq., London.
JOHN F. DARLING, Esq., C.B.E., London.
MAJOR DAVID DAVIES, M.P., Llandinam.
THE RIGHT HON. THE EARL OF DENBIGH, C.V.O., London.
FRANK DUDLEY DOCKER, Esq., C.B., Birmingham.
FREDERICK HYNDE FOX, Esq., Liverpool.
H. SIMPSON GEE, Esq., Leicester.
JOHN GLASBROOK, Esq., Swansea.
CHARLES GOW, Esq., London.
JOHN HENDERSON, Esq., Glasgow.
SIR HARRY CASSIE HOLDEN, Bart., London.
LIEUT.-COLONEL CHARLES E. JOHNSTON, D.S.O., M.C., London.
CHARLES THOMAS MILBURN, Esq., London.
FREDERICK WILLIAM NASH, Esq., Birmingham.
THE RT. HON. LORD PIRRIE, K.P., London.
EMMANUEL MICHEL RODOCANACHI, Esq., London.
SIR THOMAS ROYDEN, Bart., C.H., M.P., Liverpool.
SIR EDWARD D. STERN, D.L., London.
EDMUND R. TURTON, Esq., M.P., Thirsk.
LEWIS H. WALTERS, Esq., London.
THE RIGHT HON. SIR GUY FLEETWOOD WILSON, K.C.B., K.C.M.G., G.C.I.E., London.
COLONEL WILLIAM FITZTHOMAS WYLEY, Coventry.
SIR DAVID YULE, London.

SAMUEL B. MURRAY, Esq., FREDERICK HYDE, Esq., EDGAR W. WOOLLEY, Esq., *Joint Managing Directors*

HEAD OFFICE: 5, THREADNEEDLE STREET, LONDON, E.C. 2.

OVER 1,500 OFFICES IN ENGLAND AND WALES

Joint General Managers: R. RICHARDS, H. MARE, J. G. BUCHANAN

BALANCE SHEET, 31st December, 1920.

LIABILITIES	£	s.	d.
Capital Paid up, viz.:—			
2,869,079 Shares of £12 each, £2 10s. 0d. paid	7,172,697	10	0
1,474,841 Shares of £2 10s. 0d. each, Fully paid	3,687,102	10	0
	10,859,800	0	0
Reserve Fund	10,859,800	0	0
Dividend payable on 1st February, 1921	684,167	8	0
Balance of Profit and Loss Account, as below	741,618	16	0
	23,145,386	4	0
Current Deposit and other Accounts	371,841,968	2	7
Acceptances and Engagements on account of Customers	27,849,903	16	1
	£422,837,258	2	8

ASSETS		£	s.	d.
Coin, Bank and Currency Notes and Balances with the Bank of England		62,493,817	15	8
Cheques in course of collection on other Banks in the United Kingdom		7,702,349	14	6
Money at Call and Short Notice		18,492,013	9	10
Investments:—				
War Loans, under cost (of which £428,067 10s. is lodged for Public and other Accounts) and other British Government Securities		50,278,976	4	10
Stocks Guaranteed by the British Government, Indian Government Stocks and Indian Railway Debentures		214,083	13	7
British Railway Debenture and Preference Stocks, British Corporation Stocks		461,128	8	0
Colonial and Foreign Government Stocks and Bonds		551,472	15	3
Sundry Investments		260,653	10	8
Bills Discounted		57,671,879	3	8
		198,126,374	16	0
Advances to Customers and other Accounts		189,719,805	0	5
Liabilities of Customers for Acceptances and Engagements		27,849,903	16	1
Bank Premises at Head Office and Branches		3,883,759	10	2
Belfast Banking Co. Ltd. Shares:—200,000 of £12 10s. each, £2 10s. paid. The Clydesdale Bank Ltd. Shares:—99,909 of £50 each, £10 paid	Cost. £5,483,632 10 0			
Less part Premium on Shares in this Bank issued in exchange	2,226,217 10 0			
		3,257,415	0	0
		£422,837,258	2	8

PROFIT AND LOSS ACCOUNT for the year ended 31st December, 1920.

Dr.	£	s.	d.
To Interim Dividend at the rate of 18 per cent. per annum, less Income Tax, paid 15th July, 1920	682,927	1	9
" Dividend at the rate of 18 per cent. per annum, less Income Tax, payable 1st February, 1921	684,167	8	0
" Reserve for Depreciation of War Loans and Future Contingencies	1,200,000	0	0
" Bank Premises Redemption Fund	250,000	0	0
" Balance carried forward to next account	741,618	16	0
	£3,558,713	5	9

Cr.	£	s.	d.
By Balance from last Account	726,852	6	2
" Net Profits for the year ended 31st December, 1920, after providing for all Bad and Doubtful Debts and Bonus to Staff	2,831,860	19	7
	£3,558,713	5	9

R. McKENNA, *Chairman*
W. G. BRADSHAW, A. H. GOSCHEN, *Deputy Chairmen*
WILLIAM BENNETT, *Director*
S. B. MURRAY, F. HYDE, E. W. WOOLLEY, *Joint Managing Directors*

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE LONDON JOINT CITY & MIDLAND BANK LIMITED.

In accordance with the provisions of Sub-section 2 of Section of the Companies (Consolidation) Act, 1908, we report as follows:—

We have examined the above Balance Sheet in detail with the Books at Head Office and with the certified Returns from the Branches. We have satisfied ourselves as to the correctness of the Coin, Bank and Currency Notes and Balances with the Bank of England, Cheques in course of Collection on other Banks in the United Kingdom, and Bills Discounted, and have verified the correctness of the Money at Call and Short Notice. We have also verified the Securities representing the Investments of the Bank, and having obtained all the information and explanations we have required, we are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Company.

LONDON, *14th January, 1921.* WHINNEY, SMITH & WHINNEY, CHARTERED ACCOUNTANTS, *Auditors*

AFFILIATED BANKS:

BELFAST BANKING COMPANY LIMITED
OVER 110 OFFICES IN IRELAND

THE CLYDESDALE BANK LIMITED
OVER 160 OFFICES IN SCOTLAND

PROTECTION FOR RUBBER INDUSTRY TO BE CONTINUED

So Declares Hon. Hugh Guthrie Before Canadian Rubber Association

RUBBER TRADE GROWS

Canada is Now Fourth Nation in Production of Rubber Products—Nine Years' Growth Amazing

MONTREAL.—From $4,600,000 to $56,000,000. This indicates the growth of the rubber business in Canada in the nine years from 1910 to 1919. Speaking before the Canadian Rubber Association here this week, C. H. Carlisle, general manager of the Goodyear Tire and Rubber Co., Ltd., gave these figures, and pointed out that Canada to-day stands fourth among the nations of the world in the manufacture of rubber.

The total tire sales in 1910 were slightly over one million dollars, and in 1919 they reached $31,000,000, said Mr. Carlisle. In the same period the sales of mechanical rubber goods increased in volume from $1,700,000 to $6,000,000, and footwear from $1,800,000 to $17,000,000. To put it concretely, the rubber business had expanded in a period of nine years from $4,600,000 to over $56,000,000, and export business from $113,000 to $8,000,000. The number of employees increased from somewhat less than 1,500 people to 13,000, and investments from $4,500,000 to $67,500,000, with real estate investments of $21,000,000. The industry in 1919 paid duty and taxes of over two million dollars and wages to the amount of $13,000,000. "Canada to-day stands fourth among the nations of the world in the manufacture of rubber," declared the chairman.

Speaking of his association, Mr. Carlisle said:—

"Some who do not know the Canadian Rubber Association might think that it is an organization for price-fixing and selfish regulation of the trade; but the organization has nothing to do with the fixing of prices or the regulation of trade. Its object is to build up the rubber business in Canada to its maximum, to establish economy, to improve products, to give better distribution, to standardize products wherever possible, and so reach the highest efficiency. In building up the business on such a basis, it is opening an avenue for the Canadian investor. It brings together every branch of the rubber industry and many associated industries. For the Canadian industry to maintain a maximum position both at home and abroad, the support of the Canadian people and of the Government is necessary, and to a large extent this support has been given."

To Retain the Tariff

Hon. Hugh Guthrie, Minister of Militia and Defence, affirmed the Government's intention of retaining the protective tariff. He said:—

"We have in Canada to-day an accepted and adopted fiscal system that has been in force for the last 42 years, and we propose to maintain that system. It is a system which we call the system of a protective tariff, not a highly protective tariff, but a tariff aimed solely in the first instance for the protection of the industry, of the capital, of the workmen, of the Dominion; and aimed, in the second place, to produce a sufficient amount of revenue to meet our current needs. The first principle is one of legitimate protection of our own industries, and the second that of raising the necessary revenue. You as business men know the situation, representing as you do an industry which produced last year 56 million dollars' worth of your product, of which eight million dollars' worth were exported. To my mind it is idle to argue that your industry or any other industry in this country can succeed if we do not maintain a fair element of protection. I know there is a considerable proportion of the people of this country who do not realize that or will not admit the truth of the statement. I think, however, I am speaking not only my own mind, but the view of the Government and of the vast majority of thinking people of Canada, when I say that we propose to maintain that protective principle for all the industries of Canada."

Officers of Rubber Association

Officers of the association were elected as follows:—

C. H. Carlisle, Toronto, Goodyear Tire and Rubber Co. of Canada, Limited, president; W. A. Eden, Montreal, general manager Canadian Consolidated Rubber Co., vice-president; C. N. Candee, Toronto, Gutta Percha and Rubber Limited, treasurer; John Westren, Toronto, Dunlop Tire and Rubber Goods Co., Ltd., assistant treasurer; A. B. Hannay, Toronto, manager and secretary; F. E. Partridge, Guelph, F. E. Partridge Rubber Co.; W. H. Miner, Montreal, Miner Rubber Co.; R. F. Foote, Merritton, Ont., Independent Rubber Co. of Ontario.

REGINA'S UNEMPLOYMENT

By Resident Representative.

REGINA.—That $35,000 will have been spent in relief of the unemployed in Regina up to the end of March is the view of civic officials. Already $12,000 has been expended and there are still many applicants for relief. Only one-third of the expense is being borne by the city, the remainder being shared by the provincial and Dominion Governments.

FORD AND THE BANKERS

Report That He Proposes to Finance Independently

DETROIT.—Financial interests say Henry Ford is determined to assert his independence of the banking community and go it alone. Investment bankers, the Wall Street Journal hears, have received $15,000,000 in securities from Ford's private box with directions to sell them. Ford has also renewed the $25,000,000 loans remaining from the $100,000,000 he borrowed when he bought out his partners.

How much Henry Ford has in his box, no one knows. Some people doubt whether he has kept any accurate record of his own assets or all his liabilities. The best local estimate of Mr. Ford's box is $25,000,000, although some people estimate that he has as high as $45,000,000 in securities outside of the Ford company.

CANCELLATIONS A BIG PROBLEM

Coupled With Exchange Doing Much to Congest Foreign Trade

Foreign exchange troubles and cancellations of orders have resulted from the orgy of speculation on the part of individuals, business firms and banks abroad which followed the signing of the armistice. Harbors as far apart as Havana and Alexandria are hopelessly congested with merchandise which the importers are unable to clear. Cancellations, in foreign and domestic trade, have become so serious as to cause concerted action by members of many manufacturers' associations. An order forms a contract from which neither side can depart at will except under conditions provided for in the agreement or established by law and commercial usage. In the conditions prevailing today, both parties are sufferers, and to concede to the buyer the right to cancel orders, no matter what the excuse, is to favor him unduly. In domestic trade, with public opinion, commercial associations and mercantile agencies to prevent abuse of the situation, it may be an act of grace and prudence on the part of the vendor to release the customer from his obligations either fully or in part, bearing some loss as a sacrifice to help the customer on his feet, thereby retaining his custom when he shall again be solvent. In foreign trade, conditions are different; there are fewer means of redress. The vendor is out freight, sometimes duty, and must pay the return freight if he cannot dispose of the rejected goods to other firms.

The present cancellations are not, for the most part, based on claims of broken contract; many are due to the adverse exchange conditions. In the case of deterioration in currency, the suggestion is made of payment at the rate of exchange at the time the order was placed; and a deposit of the difference with a good local bank, and a reckoning made at the end of six months. If the exchange has improved, the buyer will be the gainer; if not he will have made good, and the arrangement is fairer to the seller than a six months' extension of credit. No hard and fast rule with regard to accepting or fighting cancellations can be laid down, but many manufacturers have accepted a definite policy.

In the case of goods specially made to order, the manufacturer need not assent to cancellation. In the case of goods not specially made up, it is best to assent, for it is better to have the goods than the dubious credit. Every request must be especially investigated. If due to exchange difficulties some plan of payment should be proposed in lieu of cancellation. If the needs can be met by an extension of credit and the facts justify it this should be proposed. A record of experience with each customer should be kept; those who are taking advantage of a critical situation to force concessions should be excluded from future credit favors. The exporter should insert a clause submitting every arrangement to arbitration. It is of importance to help customers retain their solvency; but this co-operation between the exporter and the customer must be based on the recognition of the generosity of the exporter. The rejection of goods on trumped-up charges of quality defects must not be countenanced. It is important to crush the effort to weaken the status of the irrevocable letter of credit; making it appear that under certain conditions, it is revocable at a bank's discretion. This would have a disastrous effect on the prestige of the most useful credit instrument in international trade.

ONTARIO CABINET CONSIDERS PLAN OF RURAL CREDITS

Government Has Matter in Hand—Details Not Yet Made Public

NEEDS OF FARMERS

Special Commission Reports on Inadequacy of Present Credit Facilities to Provide Long and Short-Term Credits

The Ontario Government is considering legislation along the lines of that already devised in the province of Manitoba to provide a system of rural credits for the agricultural interests of the province. At the moment the proposed measures have not been brought down in the House and the form which this new legislation will follow cannot, therefore, be determined at the present moment. It is quite probable, however, that it will be along the lines recommended in a special report prepared by a commission which has had the matter under investigation for some time past, during which the rural credit schemes of other provinces and countries were carefully considered.

Whether the need for such institutions actually exists in this province or not, and whether the Government will be able to provide management of such calibre as to assure capable supervision of these loaning institutions the fact remains that a large element in the Legislature is endorsing the scheme, and we have the assurance of Hon. Manning Doherty, Minister of Agriculture, that "the rural credit system will go into effect."

"The inadequacy of the present credit facilities," respecting farmers is discussed at length in the report of the special commission. The Canadian Bank Act, it is pointed out, was designed primarily to serve the commercial interests. The longest period allowed for a commercial loan is entirely too short for the farmer. The farmers' money, generally speaking, returns to him once a year. The shortest period for which the farmer can borrow ordinarily is six months, that is, within that time he will be able to secure the returns from his investment and pay back the amount borrowed. The major part of the farmer's credit does not come within the scope of the banking system as now organized. In the matter of long-term credits there has been a gradual decline in the duration of the period over which the mortgage and investment companies were willing to extend loans. Company loans on farm mortgages have greatly declined in amount and the farm mortgage business has largely passed into private hands. The defect of this system lies in the fact that the amount of private funds available for such investment is small, and entirely insufficient for more than a very small fraction of the demands, and this condition, too, makes for disorganization so that the prospective borrower's position is one of uncertainty. He does not know whether he will be able to find a private individual in his locality who will have the funds to invest in a mortgage. The scheme outlined by the commission is, briefly, as follows:—

The short-term credit is to be provided for by a savings institution, and the long-term credit by a land mortgage bank. These we propose to unite by giving the land bank the power to receive savings deposits, and pay interest on them. These deposits would be held in the same way as by banks or trust companies or mortgage and loan companies, and they would be withdrawable on demand. The guarantee on these deposits by the government would assure their absolute safety. These savings would be used in making provision for the short loans, and for nothing less, and the capital of the land bank and the cash obtained from the sale of its debentures would be used for furnishing the mortgage loans.

From the standpoint of those who are interested in the development of the work of the chartered banks this might seem a means by which business would be lost by them for the p[...] ing up a rival instituti[...] the proposed bank is no[...] formed to take care of [...] not be properly cared [...] present banking law, and [...] practice of commercial [...] tries. Our plan contempl[...] ment of the field of b[...] division of the present f[...] competitors.

CROWN LI[...]

Large Benefits to Policyholde[...]

Cash payments to Policyholders and Be[...] aries during 1920 amounted to $215,298.47.

In addition, the sum of $508,813.00 was [...] ferred to Policyholders Reserve Fund [...] $47,275.28 was transferred to Policyhold[...] Surplus.

This makes a sum total of $771,386.75 paid [...] or placed to the credit of Crown Life Policy[...] holders during 1920.

Participating Policyholders in the Crow[...] are entitled to 90% of all profits earned b[...] Company in addition to the guarantees con[...] in their Policies.

Business men who would like to undertake life insurance work are invited to correspond with us. The opportunities are rapidly expanding. We have a very attractive proposition to offer.

CROWN LIFE INSURANCE CO., TOR[...]

Complete Report for 1920 gladly sent on request.

Canadian Guaranty Trust Compan[...]

The Eleventh Annual General Meeting of the Shareholders of the Canadian Guaranty Tr[...] was held in the office of the Company, 1031 Rosser Avenue, Brandon, at 2.30 o'clock p.m., Februa[...] 1921. The following reports were presented:

To the Shareholders,
Canadian Guaranty Trust Company:

Your Directors beg to submit the Eleventh Annual Report of the Company for the year ending 31st December, 1920.

The earnings of the Company for the year have been the greatest in its history, and we have been able to add $5,000.00 to our Reserve Fund, place $2,000.00 in a Contingent Account, and carry forward $5,753.19 in undivided profits, making a total Reserve Account of $47,753.19, or approximately 18% on the Paid Up Capital Stock. While our securities and other assets are [...] valued, we have thought it advisable to provide a Conting[...] until financial conditions become more settled.

During the past year a sub-committee of the Board ha[...] fully examined all our various assets, securities, etc., and [...] ed all in good order. The books and accounts of the Company [...] been audited regularly by the Shareholders' Auditor, and h[...] port for the year 1920 is attached hereto.

Brandon, Manitoba, January 6th, 1921.

On behalf of the Board of Directors, A. C. FRASER, Pres[...]

Statement for 12 months ending December 31st, 1920

ASSETS

Capital Account—		
Mortgages on Real Estate	$ 572.08	
Real Estate held under Power of Sale	5,339.45	
Municipal Debentures and Government Bonds	76,153.77	
Bills Receivable	764.75	
Accounts Receivable	1,536.78	
Interest and Commission Accrued	11,899.52	
Office Furniture, Equipment and Safety Deposit boxes (less 10% written off annually)	3,285.33	
Advances to Estates and Agencies secured by Estate and Agency Assets	302,162.61	
Cash on Hand and in Banks	39,192.27	
		$ 440,906.56
Trust, Guarantee and Agency Accounts—		
Mortgages on Real Estate	$ 294,588.13	
Stocks, Bonds and Debentures	45,571.72	
		340,159.85
Trusts, Estates and Agencies—		
Unrealized Original Assets, including Real Estate, Mortgages, Stocks, etc., at Inventory Value		2,115,889.18
		$2,896,955.59

LIABILITIES

Capital Account—		
(Capital Subscribed $596,050.00) Paid thereon	$ 263,637.46	
Balances at Credit Estates and Agencies	111,240.81	
Reserve Fund	40,000.00	
Contingent Fund	2,000.00	
Reserve for Taxes	2,750.00	
Dividend No. 8	15,525.10	
Balance Profit and Loss	5,753.19	
		$ 440,90[illegible]
Trust, Guarantee and Agency Accounts—		
For Investment and Distribution		340,159.[illegible]
Trusts, Estates and Agencies—		
Inventory Value of Unrealized Original Assets of Estates, Agencies, etc., under Administration		2,115,889.1[illegible]
		$2,896,95[illegible]

PROFIT AND LOSS

Dr.		Cr.	
To Dividend No. 8	$15,525.10	By Balance brought forward from 1919	$ 5,610.[illegible]
" Transferred to Reserve Fund	5,000.00	" Net Profits for the year, after deducting Cost of Management, Auditor's Fees, Rent, Taxes, etc., and amount written off Furniture and Deposit Boxes	22,667.[illegible]
" Transferred to Contingent Fund	2,000.00		
" Balance carried forward	5,753.19		
	$28,278.29		$28,27[illegible]

AUDITOR'S CERTIFICATE

I hereby certify that I have made a monthly audit of the books and accounts of the Company, and that the above Balance She[et] and Profit and Loss Statement are true, correct, and full Statements of the condition of the affairs of the Company as on December 31st, 1920, as disclosed by the said books of accounts.

The Cash and Bank Balances have been certified, and the Mortgages found duly certified as valid by the Company's Solicito[r]. The Trusts and Estates are in good order and are being carefully administered.

Brandon, Man., January 6th, 1921.

J. B. BEVERIDGE, Auditor.

The Scrutineers reported the following re-elected as Directors for the ensuing year:

A. C. Fraser, Col. A. L. Young, John R. Little, William Ferguson, H. L. Adolph, E. O. Chappell, J. S. Maxwell, John A. McD[on]ald, G. S. Munro, Hon. W. M. Martin, F. N. Darke, Alex. A. Cameron, D. A. Reesor, Alex. Rose, W. C. McCulloch.

At a meeting of the Directors held subsequent to the Shareholders' meeting, A. C. Fraser was appointed President; A. L. [...] Vice-President and John R. Little, Managing-Director.

CANADA CEMENT IS HIT HARD BY COAL SCARCITY

Net Earnings Before Depreciation Down 22 p.c. From Previous Year

SURPLUS REDUCED

Large Part of Dividends on Common Paid Out of Accumulated Surplus—Abnormal Operating Costs

Abnormal conditions which prevailed during the past year in the unprecedented costs of all commodities that enter into the process of manufacture, together with the great scarcity of coal that developed, were instrumental in further curtailing the returns of the Canada Cement Co. The situation was aggravated by the fact that the company for several months was unable to secure an adequate supply of coal to keep it running to required capacity, and earnings suffered drastically in consequence.

Net earnings for the year stand at $2,362,742 against $3,602,611 for 1919. After providing for bond interest and depreciation there was available the sum of $1,159,630 for dividends, against $1,501,176 for the previous year. After providing for dividends on the preferred to the extent of $735,000 there was available the sum of $424,630 for dividends on the common, equivalent to 3.1 per cent. on the outstanding common. The company, notwithstanding, paid the full 6 per cent. dividend, which necessitated a drawing from surplus of $525,887 in order to permit the writing off of a proper amount of depreciation, which last year amounted to $810,491, against $1,149,584 in 1919. During that year, the write off for depreciation was permitted after the common dividend had been paid by the withdrawal from surplus of $241,666, so that in the past two years the company, in order to pay the common dividend, and at the same time allow for a proper depreciation reserve has drawn from surplus the sum of $767,553. This has resulted in helping to reduce the surplus account from $2,677,643 at the end of 1918 to $898,972 at the end of last year.

Net earnings last year before depreciation, etc., were down 22 per cent. from the preceding year; depreciation allowance was $330,000 smaller, bond interest $18,000 smaller, and the balance left for common dividends amounted to $424,630, or as stated 3.1 per cent.

The profit and loss account for the past three years compares as follows:

Profit and Loss

	1920	1919	1918
Net earn.	$2,362,742	$1,907,969	$2,215,708
Bond int.	392,621	406,793	420,064
Depreciation	810,491	......	......
	$1,159,630	$1,501,176	$1,795,644
Pref. div.	735,000	735,000	735,000
	$ 424,630	$ 766,176	$1,060,644
Com. div.	810,000	810,000	810,000
	*$ 385,370	*$ 43,824	$ 250,644
Reserves	140,515	1,208,962	150,000
Surplus	*$ 525,885	*$1,252,786	$ 100,644
Prev. surplus	1,424,857	2,677,643	2,576,999
Total surplus	$ 898,972	$1,424,857	$2,677,643

*Deficit.

Operating Costs Increased

In his address to shareholders the President's explanation of the year's work says that the inability to obtain coal was greatly responsible for the smaller business. Also among the expenses an increase of 540 per cent. in coal cost and 145 per cent. increase in labor over 1914 are mentioned. All items that go into operating expenses increased on an average 196 2-3 per cent., while the selling price of cement increased 90 per cent.

The company's balance sheet contains among other charges a reduction of $900,000 in investment account, and an increase of nearly $2,000,000 in inventories, with a new item in the liability side of the account of $275,000 bank loans. Accounts receivable are up $250,000, and call loans are down $40,000. Accounts payable have been increased $1,500,000 to $1,948,475. Total assets show slightly more than $1,000,000 increase over the preceding year.

The working capital account for the past three years is as follows:

Current Assets—	1920	1919	1918
Invest.	$2,745,131	$3,602,611	$1,648,836
Inventory	3,746,605	1,972,643	2,792,905
Acc. rec.	815,268	562,910	908,675
Bills rec.	11,245	7,400	30,656
Deposits	19,041	100,181	14,707
Cash	69,095	12,076	271,647
Call loans	621,000	660,000	627,900
	$8,027,385	$6,917,821	$6,295,270
Current liab.—			
Acc. pay.	$1,949,476	$ 408,527	$ 798,522
Int. accr.	95,194	99,142	102,585
Dividends	386,250	386,250	386,250
Bank loan	275,000	......	......
	$2,705,920	$ 893,919	$1,287,357

President W. C. Edwards points out that the company has consistently endeavored to keep the selling price of cement as low as possible. There was no doubt, he added, that last year a much higher price could have been obtained but that it was not considered a proper policy, and therefore not to the permanent advantage of the company.

It was difficult, he added, to estimate what the consumption of cement would be during 1921. There was no question that roads, houses and buildings of all kinds were urgently needed throughout the country. If other building materials and costs which have had extreme advances come down to a reasonable advance over 1914, a great deal of work held in abeyance would be undertaken and consequently the demand for cement fairly good.

Canada Cement common experienced a drop of 10 points over the high of the year following the announcement of the company's position, intimating public sentiment on behalf of the company's policy last year of paying part of dividends out of accumulated surplus.

PASS PREFERRED DIVIDEND N.S. UNDERWEAR CO.

A Cautious Policy is Being Followed by the Directors

DIFFICULTIES FACED

Destruction of Eureka Plant Meant Moving to Windsor—Unsettled Conditions Have Effect on Orders

By Resident Representative.

HALIFAX.—Shareholders in the Nova Scotia Underwear Company received notice this week that the quarterly dividend of 7 per cent. on the cumulative preferred stock had been passed. The explanation given was that in view of the general slowing up of business which has resulted in greatly decreased demand for manufactured products, particularly in textile goods, and of the fact that the outlook for the present year cannot yet be determined because of delay on the part of buyers in making their customary commitments, the directors considered it essential in the interests of shareholders to conserve the resources of the company by passing the dividend due on February 1. The notice intimates that the directors take this step with the greatest reluctance because it marks the first interruption in the payment of this dividend since the company was incorporated in 1912. They add that they hope business will so shape itself in the near future as to warrant resuming the dividend and the payment of all arrears.

Difficulties Faced

This does not come as a great surprise, for the company has been known to be facing the problem of lessened orders. The company's mills were originally at Eureka in Pictou county, but a fire completely destroyed the plant there and they removed to Windsor, where the mill once occupied and operated by one of the Montreal cotton manufacturing companies was purchased and equipped. The insurance policy provided for the payment of losses for idleness during the period following the fire and this tided the company along and helped materially. This period has long since passed and the company, placed on its own resources fully, finds itself now unable to meet the dividend on the preferred shares. A year or more since the general manager of the company died and a new official was appointed who it was hoped by the adoption of more modern methods would be able to make a better showing. It is hoped that, as time passes, the company will get on to a paying basis again. A couple of years ago the company increased its bonded indebtedness by an increase in the issue which was generally taken up at a considerable discount.

The Atlantic Underwear Company, and the Maritime Woollen Company, readers of THE FINANCIAL POST will remember, at a meeting of the directors some weeks ago reduced its annual dividend on the common shares from 7 to 5 per cent. but it is well-known they could easily have paid the former figure and that many of the directors were in favor of such a policy. The spirit of caution, however, was too strong and the reduction to 5 per cent. was ordered. The mills of the Atlantic Company are at Moncton, where they have the advantage of natural gas, a plentiful supply of good labor, and are doing a good business.

STEADY GROWTH IS MAINTAINED BY SHAWINIGAN

Net Revenue For the Year Shows an Increase Of $135,299

BUSINESS EXPANDS

Prepare for Additional Power Development This Year—Some 220,000 h.p Now Available

The report of the Shawinigan Water and Power Company for the year ending December 31 last, which was submitted to shareholders at the annual meeting in Montreal this week, was favorably received and indicated that the company had made substantial progress notwithstanding the depression that had developed in many lines of business during the closing months of the year. Gross earnings for the year were $3,943,359 in comparison with $3,727,045 for the previous year, showing an increase of $216,314. The net revenue for the year was $1,609,042, as against $1,473,743, in 1919, an increase of $135,299. After making the customary appropriations and paying a dividend upon the common stock of 7 per cent. there is carried forward a balance of $39,593, which compares with $30,550 for the previous year, and $17,710 for 1918.

The profit and loss accounts for the past three years compare as follows:

	1920	1919	1918
Total rev.	$3,943,359	$3,727,045	$3,621,074
Op. exp. etc.	228,468	221,560	*765,548
Main. and rep.	187,687	184,617	212,984
Gen. exp.	122,706	131,799	92,238
Stor, rent	117,719	117,719	113,101
Pow. bght.	643,119	532,965	......
Taxes and Int.	118,117	107,527	102,150
Total Exp.	$1,417,815	$1,296,187	$1,286,021
Net. op. rev.	$2,525,544	$2,430,858	$2,335,053
Bd. int., etc.	716,501	657,115	824,959
Dep. des.	200,000	300,000	100,000
Net rev.	$1,609,043	$1,473,743	$1,410,094
Dividends	1,400,000	1,240,903	1,077,528
Surplus	$ 209,043	$ 232,840	$ 332,566
Prev. sur.	30,550	17,710	30,144
Total sur.	$ 239,593	$ 250,550	$ 362,710
Res. and sink. Fund	50,000	50,000	250,000
Fire ins. res.	20,000	20,000	15,000
Emp. pens. fd.	5,000	5,000	5,000
Res. for taxes	125,000	145,000	75,000
Balance	$ 39,593	$ 30,550	$ 17,710

*Includes power bought.

Completes 20th Year

The year 1920 marks the completion of the company's twentieth year of operations, work having been commenced on the power development at Shawinigan falls early in 1900. President J. E. Aldred, in his annual report to the shareholders, traced the growth and development of the company during that period. The electrical capacity of the company at the end of 1920 had risen to about 150,000 horsepower, which, with 70,000 horsepower now being taken under contract from the Laurentide Power Company, Limited, will make a total of 220,000 horsepower available from the company's system this year. In addition the company has available hydraulic power, sold on the basis of water power, of approximately 60,000 horsepower. The growth of the company's power service is indicated by the following figures. The load on the power stations was in 1905: 20,000 h.p.; in 1910, 50,000 h.p.; in 1915, 100,000 h.p., and in 1920, 220,000 h.p., or a growth in the past fifteen years at an average rate of about 20,000 horsepower per year. President Aldred emphasized the possibilities for this company and declared that the power service was supported by large and dependable sources of supply not only for the present, but for the future demands. The distributing system was favorably located, touching the chief towns and cities in the province.

He continued as follows:

There is under contract in the present year new business which will require the installation of 40,000 horsepower at Shawinigan Falls. These contracts when brought into operation will augment the company's gross revenue by more than $1,000,000. All of this power will come on the company's system during 1921, and early in 1922. This has also involved the duplication of the company's lines to Thetford Mines and Quebec, which has been completed, and also a second transmission line to Montreal, undertaken the past summer, will be completed this year.

The figures of output for 1920 of 1,140,759,076 kilowatt hours indicate the company's importance in the industry of the province. This operating position is paralleled only in one or two other industrial centres in North America. Niagara Falls, producing electrical energy for many years, and the cities of New York and Chicago, operating steam units on a large scale, are the only comparable industrial centres from the standpoint of the production of electrical energy.

Hydro-electric plants are assuming much more importance in the industrial world, than ever before, and your company stands in a pre-eminently satisfactory position.

The balance sheet reveals a marked change for the better in the relation of current assets to current liabilities, the net working capital having risen by $2,361,529 at the close of the year. Current assets at $3,332,920, compared with $2,159,687 for the previous year, while current liabilities stand at $1,253,209 against $1,441,505. Total assets at the end of the year amounting to $39,566,570, compared with $34,975,174. Investments have increased from $10,610,443 to $12,540,060. Accounts and bills receivable now stand at $2,129,113, compared with $1,571,379. The capital stock remains unchanged at $20,000,000, while the company's bonded indebtedness has increased from $9,353,262 to $13,824,500. The reserve and sinking fund amounts to $3,028,653, compared with $2,978,838. Accounts and bills payable have moved down from $739,025 to $403,209 at the close of the past year.

ELECTRIFICATION OF RAILWAY SYSTEMS

Many Steam Roads Expected To Turn to Electricity for Motive Power

American investors who take a long-range view of General Electric stock are counting on further development of railroad electrification to produce some of the big electrical business of the future. St. Paul Railway has taken the greatest single step in this field. This road is committed to an electrification program covering 860 miles of road, of which 647 miles are now equipped. General Electric equipped 440 miles, and also furnished some of the locomotives for the Coast and Columbia divisions, although Westinghouse Electric furnished the substation equipment.

The initial electrification of the St. Paul included the conversion of four steam engine divisions extending from Harlowton, Montana, to Avery, Idaho, 440 miles. This distance is more than six times as great as any trunk line now operating electric locomotives.

Four years of electrical operation with both passenger and freight trains between Harlowton and Avery has produced operating results equal to the expectations of the advocates of the electrification project. The capabilities of the electric locomotive for heavy grade service have been amply demonstrated and the 2 per cent., twenty-mile grade over the Rocky Mountains no longer limits the capacity of the road. Congestion of freight traffic has been eliminated by increasing the weight of trains and also the speed of trains hauled over this section. Freight trains of 3,000 tons trailing are now handled eastward over a 1.66 per cent. grade and 2,800 tons westward over a 2 per cent. grade, a helper being used in both cases on the heavy grade.

Annual Meeting of the Montreal City and District Saving Banks

Montreal, Feb. 14th, 1921

The Annual Meeting of the Montreal City & District Savings Bank was held at noon to-day.

The President, Honourable Raoul Dandurand, presided, and Mr. A. P. Lesperance, General Manager, acted as Secretary.

The Annual Report and Statements were read to the Meeting and duly adopted, and a vote of thanks was accorded the Directors, officers and employees of the Bank.

The old Board of Directors was unanimously re-elected and at a subsequent meeting of the Board, Hon. Raoul Dandurand was elected President, and Richard Bolton, Vice-President of the Bank, for the ensuing year.

Montreal, February 14th, 1921.

TO THE SHAREHOLDERS,

Gentlemen:

Your Directors have pleasure in presenting the Seventy-fourth Annual Report of the affairs of the Bank and the result of its operations for the year ending December 31st, 1920.

The net profits for the year were $247,286.39, and the balance brought forward from last year's Profit and Loss Account was $280,222.27, making a total of $527,508.66. From this amount have been paid four quarterly dividends to our Shareholders and $4,250.00 has been contributed to various charitable and philanthropic Funds, leaving a balance at the credit of Profit and Loss Account of $323,449.34 to be carried forward to next year.

A sum of $25,000 was voted during the year to our Montreal Universities, to be paid in the course of the next five years.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The report of the Auditors and the Balance Sheet are herewith submitted.

R. DANDURAND,
President.

STATEMENT

of the affairs of The Montreal City and District Savings Bank on the 31st December, 1920

ASSETS

Cash on hand and in chartered bks.	$8,173,364.94	
Dom. and Prov. Gov. Bonds	12,941,563.80	
City of Montreal and other Mun. Bonds and Debs.	14,570,060.10	
Bonds of School Municipalities	473,158.15	
Other Bonds and Debentures	1,519,511.89	
Sundry Securities	224,000.00	
Call and Short Loans, secured by Collaterals	10,151,391.49	
Charity Donation Fund, invested in Mun. Secs. approved by the Dominion Gov.	180,000.00	
		$48,233,050.37
Bank prem. (Head Office and sixteen Branches)	$ 900,000.00	
Other Assets	129,714.87	
		1,029,714.87
		$49,262,765.24

LIABILITIES

To the Public— Amount due—		
Depositors	$45,448,298.76	
Receiver-Gen.	94,243.02	
Char. Don. Fd.	180,000.00	
Open Accounts	368,204.12	
		$46,090,745.90
To the Shareholders—		
Cap. Stock (Amt. sub. $2,000,000) paid up	$ 1,498,570.00	
Reserve Fund	1,350,000.00	
Profit and Loss Account	323,449.34	
		3,172,019.34
		$49,262,765.24

On behalf of the Board,
R. DANDURAND,
President.

A. P. LESPERANCE,
General Manager

AUDITORS' REPORT.

Having obtained all the information and explanations we have required, and having satisfied ourselves of the correctness of the Cash Balances, and examined the Securities held against the Money at Call and Short Notice, and those representing the investments of the Bank, and having examined the foregoing Balance Sheet and compared it with the Books at the Head Office, and with the Certified Returns from the Branches, we are of opinion that the transactions of the Bank have been within its powers, and that the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs as shown by the Books of the Bank.

Montreal, February 7th, 1921.

A. CINQ-MARS, C.A.
C. A. SHANNON, L.I.A. } *Auditors*

High-Yield Securities are fast disappearing from the market—Government and Municipal Bonds have already receded to the 6% level. If you have money to invest why not consider the

City of Paris

6% 10-year Canadian Loan, at 96.50, yielding

6½%

These bonds are in denominations of $100, $500 and $1,000.

Principal and interest are payable at the Merchants' Bank of Canada, the Standard Bank of Canada, the Banque Provinciale du Canada and the Banque Nationale, in CANADIAN CURRENCY.

The bonds may be registered as to principal, free of charge.

Legality—S. G. Archibald, K.C., Paris, and Messrs. Kavanagh, Lajoie & Lacoste, Montreal.

The proceeds of the loan are wholly and solely applied to the purchase of Canadian products by a French Mission having its office in the Credit Foncier Building, 35 St. James Street, Montreal.

Subscriptions received at the various offices of

L. G. BEAUBIEN & CO., Ltd.
50 Notre-Dame St. West, MONTREAL — 70 St. Peter St., QUEBEC — 153 Notre-Dame St., THREE RIVERS

MUNICIPAL DEBENTURE CORPORATION, LIMITED
7 Place d'Armes, MONTREAL — 124 St. Peter St., QUEBEC

CREDIT CANADIEN, Incorporated
99 St. James Street, MONTREAL

VERSAILLES-VIDRICAIRE-BOULAIS (Limited)
Versailles Building, MONTREAL — 80 St. Peter St., QUEBEC — National Bank Building, OTTAWA

MARITIME PHONE INCOME IS HIGHER WITH NEW RATES

Working Effects of Measured Service Seen in Report

PREFERRED CHANGED

Shareholders Decide to Make All 7 Per Cent.—Bond Issue Made When Stock Issue Not Absorbed

By Resident Representative.

HALIFAX.—The feature of the annual meeting of the Maritime Telegraph and Telephone Company was the carrying of a resolution by the shareholders to change the 6 per cent. preferred stock from that class to the 7 per cent. The resolution passed unanimously. The reason given was that it was considered unfair that there should be two classes of the preferred stock. What the six per cent. shareholders give up is the right to participate in any advance over six per cent. by the holders of $850,000 of common stock. They forego that prospect for the immediate enjoyment of an extra one per cent. The company is allowed to earn as high as 8 per cent. on the appraised actual value of the company's investment. There are those who look forward to the time when the common will earn its 8 per cent., but most of the shareholders consider that day to be pretty far in the future.

Effect of New Rates

The report showed that the year was the best in the history of the company, with a surplus of $26,363. Last year the surplus was only $1,642. The directors attribute this result to the introduction of the new rates under the measured service and to increasing business, which was the largest yet done. There was a gain of 2,761 subscribers and the total number of telephones in use at the end of the year was 29,163.

Speaking of the measured service the report says that the records show that for the past year 33 per cent. of the business subscribers were paying less than they did under the old flat rate system, and nearly 70 per cent. are paying less than they would have to pay under the increased flat rate that was suggested. The remaining 30 per cent. are paying, of course, a great deal more. It can, therefore, be fairly stated that the measured service is saving 70 per cent. of the business subscribers substantial amounts which they would otherwise have to pay under the proposed flat rate.

The report states that during the year the directors purchased the charter of the Eastern Telephone and Telegraph Company, with the object of transferring to that company various investments which do not come under the jurisdiction of the Public Utilities Commission, and also from time to time transferring such property as may no longer be used or useful for the purposes of the telephone business in Nova Scotia. The intent is that the property of the company may be in two parts, one part being that property used in the telephone business in Nova Scotia and coming under the jurisdiction of the Public Utilities Commission; the other representing investments not under the jurisdiction of that body.

New Bond Issue

The $1,000,000 of 7 per cent. stock according to the report, authorized to be issued by the shareholders at the last annual meeting, was offered to the shareholders, but the amount taken was disappointingly small, due, no doubt, to the fact that the money market was so high that 7 per cent. was not attractive. The attempt to raise capital required for improvements and extensions was then changed to an issue of second mortgage refunding bonds. A deed of trust on the company's property was entered into with the Montreal Trust Company, securing the issue of $6,000,000 bonds. Of this $1,500,000 is to be set aside for refunding the existing first mortgage six per cent. bonds. Series A bonds amounting to $1,000,000, bearing interest at the rate of 7 per cent., have been created, of which $500,000 have been issued and sold since the end of the year.

In the course of a few days the company will open its new automatic exchange, which will serve the north end of the city. No girls will be required in its operation, but it has been expensive, involving an outlay of $250,000. The company expects to save in labor the extra cost of the equipment. It will end the day of strikes and demands for higher pay. The new exchange will take care of about one-third of the company's city business.

SOUTH AFRICAN TRADE

Big Increase in Imports in Ten Months of 1920

For ten months ended October, 1920, imports into South Africa totaled £88,093,601 compared with £44,133,828 during the corresponding period of 1919. Exports for the ten months were £74,625,679 in 1920 and £88,296,008 in 1919. Balance of trade changed from a credit of £44,162,180 to a debit of £13,467,922 in twelve months.

According to W. H. McIntyre, agent of Standard Bank of South Africa in New York, this is due mainly to two causes. Merchants in South Africa had been experiencing difficulty in obtaining goods from other countries in the big after-war demand and considered it necessary to place orders for twice and three times the quantity they actually needed in hope of receiving sufficient to meet their requirements. With sudden cessation of demand and deflation of prices, however, these orders were filled completely, overstocking the markets in a short time. Credits in London were exhausted and business slumped in consequence.

DIVIDEND ON NORTH ATLANTIC FISHERIES

Company Has Been Doing a Quiet Business With Cold Storage Plant

By Resident Representative.

HALIFAX—It is understood that the directors of the North Atlantic Fisheries, Ltd., of this city, have ordered the payment of a dividend of three per cent. on the preferred stock of $500,000. The company was organized some ten years ago and may have paid one or two quarterly dividends at the first but has paid none for a long time. The remarkable thing about it is that this 3 per cent. has been earned by the company which for five years has practically been out of its chief business. It has been doing nothing so far as the fish business is concerned, but the cold storage department has been run in a quiet way and some of its properties have been rented. By going on this way for several years the company has been able to pay off a large floating and mortgage debt so that now it has a lot of real estate and waterfront property on which there are no claims. The dividend now to be paid is the accumulation of earnings for the past couple of years.

There is no guarantee that there will be a similar dividend next year. It all depends on rentals and what may be secured by the operation of the cold storage which is on a limited scale. When the fish business was given up the liquidation of the company was seriously considered by the directors and shareholders. As it is now the company is in the market to sell out all its interests.

NOVA SCOTIA CLAY HAD A FAIR YEAR

Net Profits of $9,552 After Meeting Bond Interest And Other Charges

By Resident Representative.

HALIFAX.—The Nova Scotia Clay Works, Ltd., is a concern that started nine years ago with fair prospects, but has not had a career of much satisfaction to its shareholders. It has a capital of $300,000 each in preferred and common stock, but the dividends even on the preferred have been few indeed and are in the distant past. The company's existence was saved some years ago by the issuing of $100,000 bonds out of the proceeds of which the bank was paid off. The company has brick-making plants at seven places in the province, but for some time only two of these have been operated, those at Pugwash and Elmsdale.

The annual statement to shareholders shows that during the season 12,786,000 stock brick were manufactured, and of this make 10,948,000 were shipped, as well as 396,000 of the 1919 stock, making a total of 1,344,000 shipped, leaving a stock of brick on hand at the end of the year of 1,838,000. The report says that the operations of the Elmsdale and Pugwash plants for the season proved fairly satisfactory, yielding gross profits of $39,118, which, together with other income makes up the gross profits at $44,432. From this amount there was deducted $13,987 for taxes, salaries, insurance, etc., $6,000 for bend interest, $4,000 for bond sinking fund reserve, and $10,888 for depreciation, leaving net profits at $9,552.

According to C. DeWitt Cuyler, chairman of the Association of Railway Executives, a general reduction in wages of railway employees is not being considered by the Association.

GOOD SHOWING BY PROVINCIAL PAPER DURING PAST YEAR

Company Favored by Sustained Abnormal Demand For its Products

OUTLOOK BRIGHT

Direct Comparisons With Former Years Impossible Because of Reorganization—Plan New Construction

Profiting by the abnormal demand for Canadian pulp and paper products that was maintained throughout the past year the Provincial Paper Mills, Limited, makes a very favorable showing in its annual report, although direct comparisons with former years are not possible, because the statement issued this week includes the pulp mill formerly operated by the Port Arthur Pulp & Paper Co., Ltd., and which was acquired through the reorganization early in the year.

The profit and loss statement shows profits for the year after allowing for war tax payable this year of $1,225,775, to which is added the sum of $22,365 in interest and dividends received, bringing the total available for distribution up to 1,248,140. During the year some $200,000 was set aside for depreciation on buildings and plant, against $75,000 in the previous year, and after paying preferred dividends and all other charges, there was available for common dividends some $890,903, against $223,408. Some $257,500 was paid in common dividends, against $90,000 in the previous year, and there was a surplus for the year of $633,403, against $133,408 in 1919.

The balance sheet of the company shows a good cash condition. Cash on hand totals $315,166, against $110,902, and accounts receivable are set down at $811,600, against $435,612. Victory bonds at market are placed at $396,800, against $15,000. Current assets aggregate $1,791,052, against $1,260,585, and surplus of current assets over current liabilities exceeds one million dollars.

As all the above comparisons are the figures of the consolidated operations in 1920, against the operations of the paper company alone in 1919, they cannot be taken as actually comparing the same scope of operations, but can only be taken relatively.

Plants at Capacity

President I. H. Weldon, in discussing the conditions affecting the company's operations, points out that during the year just closed there was an abnormal demand for the product of the company's mills, thereby enabling all plants to run to capacity. The high prices obtainable brought total sales for the year up to $7,658,176. It would be impossible, he added, to say at the present time definitely what the company's business will be for the present year, but intimations from catalogue and periodical publishers would indicate an increased demand. Present committments, while less than at the corresponding period of last year, are said to be quite satisfactory. The president proceeds as follows:

When organizing the company provision was made for financing future extensions by authorizing $3,000,000, twenty year 6 per cent. bonds. Some $200,000 of these bonds have been exchanged for a like amount of bonds that were outstanding against the Port Arthur Pulp and Paper Co., Ltd., thus enabling us to discharge the prior mortgage on the Port Arthur mill; $305,000 of these bonds were sold for cash, the amount being invested in Victory bonds for use when further building operations are commenced.

During the year we received from the Ontario Government the rights for 21 years to cut pulpwood on an area containing 1,300 square miles. Now that our supply of pulpwood is assured, we are in a position to proceed with our plans for extensions at Port Arthur which include a paper mill.

GERMAN PRINTING PRESSES VERY BUSY

Indemnity is Trifling Compared With Daily Increasing Paper Debt

NEW YORK.—The German war indemnity—only $21,000,000,000 plus interest—is trifling compared with the paper indebtedness Germany is daily putting forth.

One might suspect that Germany was issuing worthless paper and selling it all over the world for what she could get in return with the intention eventually to repudiate her currency.

In fighting the indemnity payment to the allies by self-imposed bankruptcy and destructive paper issues, Germany is digging her own grave. Indeed, when considered from a commercial standpoint, it may be declared that Germany has receded by her own attempted bankruptcy a great deal faster after the war than during the war.

English, French and Americans are buying property in Germany at ridiculous prices measured in gold and are able to hire German labor in connection with these properties at less than $2 a week and sometimes as low as $1 a week, when German marks are translated into gold values.

How can Germany ever dig herself out from under her load of paper indebtedness when she has enslaved her labor at such low wages?

S. S. McClure, returned last month from Germany, says to a representative of Dow, Jones & Co.:

"At the Adlon in Berlin I found my room cost me only one-quarter of what it did before the war. I paid 66 marks, which cost me a dollar, while before the war I paid 16 marks or $4. Railroad fare from the Belgian frontier to Berlin, 15 hours, cost me only $2.70 in American money. German bankers told me that the country was bankrupt; that the Government collected last year in taxes only six billion marks to cover a deficit of 36 billion, of which 18 billion marks was due to railway deficit and 18 billion marks to deficit in the Government budget. Therefore, 30 billion marks of paper had to issue.

"When I was there the bankers did not seem to see any way of escape, but to issue 30 billion marks per annum. Of course, this was before the German indemnity had been fixed by the Reparations Committee.

"Everything in Europe is surprisingly low. I paid only $16 for express transportation from Nice to Paris, and from Vienna to the Swiss frontier only $4.

"Switzerland cannot manufacture and sell to the countries around her under existing rates of exchange.

"Germany is in the hands of socialists and there seems to be nowhere any responsibility."

Mr. McClure's statements are confirmed by travellers abroad and there are preparations for quite an exodus from this country in the spring months to take advantage of cheap living abroad, especially in France and Italy.

Mr. McClure's figures are correct for last year, but increased railroad rates are to be put into operation and taxes will be increased.

THE BRITISH COLUMBIA PERMANENT LOAN COMPANY

23rd Annual Meeting of Shareholders

The 23rd Annual Meeting of the Shareholders of The British Columbia Permanent Loan Company was held in the Head Office, 330 Pender Street, Vancouver, B.C., on Wednesday, February 9th, at 3 p.m.

Dr. D. H. Wilson, president, occupied the chair, and the secretary-treasurer, Mr. James Low, acted as secretary, and read the annual report, summarized as follows:—

The Net Profits, after providing for all interest charges and expenses, amount to $126,467.79. To this amount has to be added $104,709.44 brought forward from 1919, making in all $231,177.23 available for distribution. Your directors have applied these funds as follows:—

Two Semi-annual Dividends on Permanent Stock at the rate of 6% per annum	$ 55,328.41
2% bonus to Shareholders	18,534.28
Interest on Terminating Stocks	192.00
Transferred to Reserve Fund	105,595.69
Transferred to Contingent Fund (provision for Dominion Income Tax)	10,000.00
Balance carried forward to 1921	41,326.84
Total	$231,177.23

The Reserve now amounts to $725,000, or 78% of the Paid-up Capital.

Government Bonds held by the Company total $478,282.11, an increase of $123,521.87.

The immediately available assets (Bonds and Cash), $644,753.33, exceed 50% of the total public liability, and this strong liquid condition ensures prompt payment of all demands that might be made upon the Company.

Very marked improvement is shown in accrued interest receivable, the amount now standing at $33,991.94, as against $48,319.73 a year ago. This $33,991.94 has not been taken into the Profit and Loss statement.

The Total Earnings for the year, $254,849.41, have been exceeded on but two occasions in the Company's history, while the ratio of earnings to Assets is greater than in any previous year.

AUDITORS' CERTIFICATE

Vancouver, B.C., 17th January, 1921.

We have audited the accounts of The British Columbia Permanent Loan Company for the year ended 31st December, 1920, and beg to report that the transactions during the period have been accurately recorded in the books, the receipts as shown therein have been properly accounted for, vouchers produced for all payments, and all investments have been duly authorized We have examined the mortgage loan accounts and have verified the cash at banks by certificates, the cash on hand by actual count, negotiable securities by inspection or certificates from the depositaries, and certificates of title have been inspected for all real estate.

The accrued interest receivable at 31st December, 1920, amounting to $33,991.94, has not been included in the Profit and Loss Account for the period.

The Balance Sheet appended hereto is, in our opinion, properly drawn up so as to exhibit a true and correct view of the affairs of the Company as at 31st December, 1920, according to the information and explanations given to us, and as shown by the books of the Company.

BUTTAR & CHIENE, C.A. (Edin.)
PRICE, WATERHOUSE & CO., C.A. (Eng.)

ASSETS		LIABILITIES	
Mortgage Loans	$1,447,918.09	Debentures and Deposits	$1,106,462.90
Government Bonds	478,282.11	Sundry Creditors	12,751.19
Company's properties	500,000.00		
Office furniture	2,000.00	Total Public Liabilities	$1,119,214.09
Properties sold or for sale	287,948.90	Capital Stock	928,721.24
Sundry Investments	810.00	Dividend, Jan., 1921	46,316.00
Accrued interest	33,991.94	Terminating Stocks	3,552.50
Cash	166,471.22	Reserve Fund	725,000.00
		Unappropriated Profit	94,618.44
	$2,917,422.26		$2,917,422.26

President—Dr. D. H. Wilson *Vice-President*—W. H. Malkin
General Manager—T. D. Macdonald *Secretary-Treasurer*—James Low
Inspector—Albert Whittaker
Board of Directors—Dr. D. H. Wilson, W. H. Malkin, C. Spence, George Martin, A. H. Douglas, R. J. Robertson, Robert Galletly.

Union Trust Company

LIMITED

Twentieth Annual Report

Adopted by the Shareholders, February 10th, 1921.

To the Shareholders of the Union Trust Company, Limited:

The figures of the year's operations appearing in our Balance Sheet, presented herewith, and in the Profit and Loss Statement as of December 31st, 1920, show the year to have been a successful one.

Our Profit and Loss Account as of December 31st, 1920, stands at $96,835.11, as compared with $76,668.64 on January 1st, 1920. This addition is made after the deduction of all operating expenses, interest on Guaranteed Funds, a substantial portion of the cost of fitting up new Head Offices and Safety Deposit Vaults, an extraordinary expense at our Winnipeg Branch, and the usual quarterly dividends, amounting to $70,000.

By balance brought forward from preceding year		$ 76,668.64
By net profit for year, after defraying cost of management, expenses and interest on Guaranteed Funds		110,141.70
To payment of quarterly dividends	$ 70,000.00	
To portion of cost of fitting up Head Offices, Safe Deposit Vaults and other extraordinary expenses	6,632.50	
To taxes and registration fees accrued and paid to Dominion and Provincial Governments and Municipalities	13,342.73	
To balance carried forward	96,835.11	
	$186,810.34	$186,810.34

In every department of the Company's business the year 1920 has been marked by activity and development—especially so since moving into more commodious offices at the corner of Richmond and Victoria Streets.

It is the feeling of your Executive staff to-day that the Company is in better position to handle its business than it has ever been.

Messrs. Price, Waterhouse & Co. have carried on a continuous audit throughout the year.

The Directors have pleasure in again testifying to the excellent services rendered by the Staffs at Head Office and Winnipeg Branch.

Respectfully submitted,
HENRY F. GOODERHAM,
President.

Toronto, January 24th, 1921.

Financial Statement for Year Ended December 31st, 1920

ASSETS AND LIABILITIES

CAPITAL ACCOUNT.

Mortgages and other Securities on Real Estate	$593,385.29	Capital Stock, subscribed.. $1,000,000.00	
Municipal Debentures, Bonds and Stocks	329,123.50	Capital Stock, fully paid	$1,000,000.00
Loans on Debentures, Bonds and Stocks	81,572.75	Reserve Fund	450,000.00
Real Estate	418,572.09	Contingent Reserve	50,000.00
Other Assets	170,366.49	Dividend payable Jan. 3, 1921	17,500.00
Cash on hand and in banks	51,844.61	Dominion Income Tax, accrued	10,880.03
		Other Liabilities	19,649.59
		Profit and Loss	96,835.11
	$1,644,864.73		$1,644,864.73

GUARANTEED TRUST ACCOUNT

Mortgages on Real Estate	$4,297,991.21	Trust Funds for Investment	$3,928,097.19
Victory Bonds, Municipal and other Bonds and Stocks	903,534.59	Trust Deposits	1,266,146.38
Loans on Victory Bonds	2,212.63	Capital Account	154,010.30
Cash on hand and in banks	144,515.44		
	$5,348,253.87		$5,348,253.87

ESTATES, TRUSTS AND AGENCY ACCOUNT

Funds and Investments	$6,432,505.38	Estates, Trusts and Agencies	$ 6,432,505.38
TOTAL	$13,425,623.98	TOTAL	$13,425,623.98

C. D. HENDERSON, Secretary.
JAMES K. PICKETT, General Manager.

Head Office and Safe Deposit Vaults :

Richmond and Victoria Streets Toronto

Winnipeg **London, Eng.** **Regina**

BOARD OF DIRECTORS.

Henry F. Gooderham, President
J. H. McConnell, M.D., Vice-Pres.
H. H. Beck. Mark Bredin
G. S. May M. Ross Gooderham
Right Hon. Lord Hindlip W. C. Laidlaw
Walter Harland Smith
John B. Laidlaw
S. R. Parsons A. P. Taylor

COLONIAL REPORT SHOWS EFFECT OF CHANGE IN STOCK

Liability to the Shareholders Has Been Greatly Reduced

PROFITS WERE HIGHER

But This Was Largely Due to Exchange in the Redemption Of the Company's Sterling Debentures

The year's adjustments in the affairs of the Colonial Investment and Loan Company are indicated in the balance sheet of the annual statement with total assets of $2,044,167 compared with $5,416,569 at the end of 1919. Sterling debentures were retired to the extent of $423,325, call and time loans were discharged to the amount of $2,012,045, and the readjustment of the capital account entailed a reduction of the net paid liability from $2,458,421 to $1,250,926. The company is, therefore, now operating very largely on its capital and reserves, with a much smaller liability to shareholders.

On the other side of the statement it is indicated that investments of $651,569 in War and Victory bonds and $1,631,415 of Anglo-French bonds, due 1920, have been disposed of in effecting the stock readjustment. The mortgage account is reduced from $1,119,009 to $1,069,185, real estate from $487,188 to $336,761, loans on stocks from $264,959 to $140,957, stock holdings from $305,957 to $179,027, municipal debentures from $612,367 to $244,810, and cash from $269,702 to $37,081.

A special reserve of $275,075 has been provided for "redemption of permanent preference stock under bylaw No. 8; stock certificates not presented" and $41,679 for "stock certificates redeemed, cheques issued and outstanding." The special reserve of $50,000 in connection with Anglo-French and other bonds was added to the regular amount making a total of $400,000.

Profits on Exchange

The company was able to take advantage of the exchange situation in redeeming sterling debentures and profits from this source amounted to $76,856, making a total of $168,991, or substantially above the total of $136,433 for 1919, and $156,133 for 1918. Dividends under the readjustment took $129,426, compared with $147,485 in the previous year, and after allowing $12,092 for interest on permanent preference stock redeemable the surplus was increased from $16,161 to $43,634.

	1920	1919	1918
Profits	$168,991*	$136,433	$156,133
Bal. forward	16,161	27,213	59,646
Trans. from reserve	......	50,000	......
	$185,152	$213,646	$215,779
Dividends	129,426	147,485	147,368
Int. on pref.	12,092	......	......
Furniture	......	......	1,198
Reserve	......	50,000	40,000
Balance	43,634	16,161	27,213
	$185,152	$213,646	$215,779

*Includes $76,856 profit from sterling exchange on retirement of debentures.

Following are features of the company's earnings record for the past seven years:

	Paid up Capital	Profits	Div.	% on Av. Cap.	Rate
1920	$1,250,926	$168,991	6	7.8	6.2
1919	2,458,421	136,433	6	5.6	4.7
1918	2,456,402	156,133	6	6.5	5.6
1917	2,455,375	155,879	6	6.5	5.5
1916	2,453,995	167,066	6	7.0	6.0
1915	2,452,868	196,923	5	8.0	7.9
1914	2,451,803	193,293	5½	7.9	6.9

SEEKING POWER CHARTERS

One Hundred and Seventy-one Applicants at Washington

The United States Federal Power Commission at Washington has before it 171 applications for permits and licenses aggregating 13,000,000 horsepower, including a number of projects involving investments running into hundreds of millions. Sufficiency of the general plans and detailed designs of these projects must be passed upon. Also before the commission are applications involving valuation of some $200,000,000 worth of existing properties.

The Senate has adopted an amendment to the Sundry Civil Appropriation bill fixing the personnel which may be employed by the commission during the fiscal year 1922. Aggregate of salaries allowed, $36,300, is not considered sufficient by the commission. The amendment has yet to be taken up by the House.

Cargoes handled at British ports in 1920 showed an increase of 9,000,000 tons over similar returns for 1919 and a gain of almost 24,000,000 tons over the figures for 1917.

SASKATCHEWAN COAL

By Resident Representative.

REGINA. — There were 330,452 tons of coal produced from the mines operated in Saskatchewan during 1920, according to the bureau of labor and industries. There were 45 mines in operation during the year, although only 15 of them worked the entire twelve months.

PROFITS ARE SMALLER FOR PEOPLE'S LOAN

But Dividend and Reserve Fund Distributions Are The Same

There was a small decline in the profits of the People's Loan & Savings Corporation, of London, Ont., during the past year, but the company maintained its dividend rate of the past two years and added the usual $5,000 to reserve.

The profits for the year were $28,393, as compared with $31,654 in 1919 and $30,213 in 1918. Distribution of dividends took $24,398, and reserve $5,000, leaving a balance forward of $3,584 as compared with $4,589 a year ago. Comparative figures of the earnings statement for the past two years follow:

	1920.	1919.	1918.
Net profits	$28,393	$31,654	$30,312
Bal forward	4,589	2,149	949
	$32,982	$33,803	$31,261
Dividends	24,398	24,214	24,111
Reserve	5,000	5,000	5,000
Balance	3,584	4,589	2,149
	$32,982	$33,803	$31,260

The record over seven years shows:

Year.	Paid-up Capital.	Profits.	Div.	% on Av. Cap.	Earn. Rate
1920	$489,388	$28,393	5	6.0	5.2
1919	486,720	31,654	5	6.6	5.9
1918	482,954	30,312	5	6.3	5.9
1917	480,877	29,855	6	6.3	5.8
1916	474,394	31,691	6	6.8	6.3
1915	463,621	29,640	6	6.5	6.0
1914	451,872	29,876	6	6.7	6.1

The reserve fund is now $65,000 or 13.28 per cent. of paid-up capital. There is also a contingent reserve fund of $10,000. Assets total $1,094,702.96, including bonds and stocks, $99,219; stocks of Premier Trust Company, $55,000; cash, $62,254, and mortgages, $799,663. Debentures outstanding amount to $110,889 and deposits $414,356.

WAR HELPS U.S. TEXTILE INDUSTRY

But Great Britain Still Leads in the World's Cotton Goods Trade

NEW YORK—More than $400,000,000 worth of cotton manufactures were sent out of the United States in the calendar year 1920 against $51,000,000 worth in the year immediately preceding the war. Exports of cotton goods of all classes far exceed in value those of any earlier year and are materially greater in quantity than ever before. The quantity of cotton cloths exported in the year 1920 was, says a statement by the National City Bank, about 850,000,000 yards as against 326,000,000 in 1914, while the valuation shows a much greater increase by reason of advance in price, the average price per yard of cotton exported in 1920 being 29c against about 7c per yard in 1914.

The United States, although producing two-thirds of the world's cotton, had never been a large exporter of cotton goods until war conditions cut off the cotton goods markets of the world from their usual source of supplies—Europe—when they turned naturally to the United States and our exports of cotton cloths which amounted to only 326,000,000 yards in the calendar year 1914, most of which preceded the war, were 620,000,000 yards in 1916, 765,000,000 in 1917 and approximately 850,000,000 yards in the calendar year 1920.

The United States now supplies nearly 15 per cent. of the cotton goods entering international trade against about 5 per cent. at the beginning of the war. Prior to the war the annual average value of cotton goods entering international trade was about $1,100,000,000, of which we supplied about $50,000,000 worth per annum, or approximately 5 per cent. In 1920, as nearly as can now be estimated, the value of the cotton goods entering international trade aggregated about $3,000,000,000 as against an annual average of a little more than $1,000,000,000 in the period immediately preceding the war. Great Britain, which buys most of her cotton from the United States, of course still leads in world cotton goods trade, the value of her total exports (at the par or nominal value of the pound sterling) in 1920 having been about $1,900,000,000; France, as nearly as can now be estimated, $275,000,000; Japan approximately $250,000,000; Switzerland about $150,000,000; and the United States, as already indicated, $400,000,000 as against $50,000,000 in the year preceding the war.

NEW OFFICES HELP THE UNION TRUST

Statement by President at Annual Meeting—New Directors Elected

At the annual meeting of the shareholders of the Union Trust Co. the president, Henry F. Gooderham, stated that the year was marked by activity and development in all departments of the company's business, especially so since moving into the new head office quarters, where all departments are on the ground floor of the building. The board of directors was enlarged by the election, in addition to last year's board, of John B. Laidlaw, manager of Norwich Union Fire Insurance Society, and S. R. Parsons, president of the British American Oil Co.

Out of the net earnings of $110,141, compared with $113,574 in 1919, there were paid dividends amounting to $70,000; $13,342 in taxes and $6,632 on account of extraordinary expenses, including the fitting up of new head offices. The balance of the year's earning's, $20,166, was added to the profit and loss account, bringing it up to $96,835, as compared with $76,668.64 at the beginning of the year. Following are comparative figures for the past three years:

	1920	1919	1918
Profits	$110,142	$113,574	$111,226
Bal. forward	76,668	44,065	15,702
	$186,810	$157,639	$126,928
Dividends	70,000	70,000	70,000
Taxes	13,342	10,446	10,688
Patriotic	......	525	2,175
Office exp.	6,633	......	......
Balance	96,835	76,668	44,065
	$186,810	$157,639	$126,928

The combined capital and guaranteed mortgage loans stand at $4,891,376, as compared with $4,721,637 at the beginning of the year, a net increase of $169,739 in this account. A considerable sum was reinvested in new mortgages at the prevailing high rates and the expenses connected with such investments were written off in the year. The full advantage of the higher rates of interest on mortgage loans will be seen in the future earnings of the company. Following are comparative figures showing progress in the past seven years:

	Capital Account	Guar. Invest. Account	Estates, Trusts, etc.
1920	$1,644,864	$5,348,253	$6,432,505
1919	1,596,162	5,278,876	6,718,996
1918	1,542,032	5,218,020	6,103,486
1917	1,572,547	7,661,882	6,031,762
1916	2,042,956	7,487,561	5,660,827
1915	2,041,346	7,449,135	5,022,224
1914	2,014,370	7,386,827	4,982,787

The trust deposits have increased by $91,358.47 and now amount to $1,266,146.38. Over 36 per cent. of these or $463,231.64 is invested in high-class liquid securities, such as Dominion, Provincial and municipal securities or held in cash. The directors have strengthened the company's position by setting up a contingent reserve of $50,000, besides making reserve appropriations for depreciation in values on bonds, debentures, mortgages and real estate.

HANNEVIG BANKRUPT

Big Shipbuilder Who Had Large Canadian Interests

Involuntary petition in bankruptcy has been filed against Hannevig & Co., New York, and Christoffer Hannevig, individually, and affects both the concern of Hannevig & Co., bankers, at 139 Broadway, and Christoffer Hannevig, Inc., shippers, of 32 Broadway, Mr. Hannevig being head of both concerns. Hannevig had a big interest in the Dominion Shipbuilding Company, Toronto, and other shipbuilding enterprises in Canada.

At the latter's office it is stated that the present situation is entirely due to the failure of the Shipping Board to settle the claim of $14,000,000 for vessels built during the war by Pusey & Jones, a Hannevig subsidiary, and has no connection with the recent failure of the former Hannevig's Bank of London, of which four Hannevig brothers were directors. Christoffer Hannevig's interest in the London institution was discontinued nearly a year before its suspension.

SEEK WAGE REDUCTION

To Open Negotiations Separately With Employees

The labor committee of the American Railway Executives' Association has sent telegrams from Chicago to officers of all the member roads, meaning practically all the important systems in the country, suggesting that they ask for conferences with their employees with a view of readjusting wage scales. This confirms rumors which have been in circulation since the Labor Board turned down General Atterbury's application for immediate abrogation of the national agreements, that the movement to reduce wages would become general.

GREAT DIVIDEND RECORD

The Sherwin-Williams Co. of the United States has declared the regular quarterly dividend of 10 per cent., or $2.50 a share, on the common stock, $25 par, payable February 15. This is the 145th consecutive quarterly dividend on the common. The company has never passed a dividend, and for the last twenty-three years has paid at least 10 per cent. on its common.

The production of Portland cement in the United States in 1920 was 100,000,000 barrels, the largest production on record.

Satisfactory Service Guaranteed

Prudential Trust Company, Limited

Dominion Charter authorizes the Company to act in the following capacities:
RELATIVE TO ESTATES—Administrator, Executor, Guardian, Management of Properties, Collection of Rents, Real Estate Bought, Sold, and Exchanged.
FINANCIAL AGENTS—Investments Made—Securities Held.
INSURANCE BROKERS—All lines—Fire, Marine, Accident, Liability, etc., placed in best Companies at lowest rates.
FIDUCIARY—Trustees for Bondholders, Transfer Agents, and Registrars for Stocks and Companies.
The business generally which a Trust Company may undertake alone, or jointly with one or more.

Consultation invited by letter or in person.

B. HAL BROWN, President — J. P. STEEDMAN, Vice-President

Head Office: MONTREAL

Branches throughout Canada and in London, Eng.

New Issue
We Own and Offer

$4,000,000.

Mount Royal Hotel Company, Limited

(Incorporated under the laws of the Dominion of Canada.)

Head Office of the Company, Montreal, Canada

8% Convertible Debentures

DENOMINATIONS: $100, $500, $1000 and $5000

Dated December 1st, 1920, coupons payable quarterly, 1st of January, April, July and October, in each year, first coupon bearing interest for four months. Coupons payable at Royal Bank of Canada, Montreal or New York. All debentures to be converted into 8% Cumulative Preferred Stock (fully paid and non-assessable) on July 1st, 1923. The Preferred Stock is redeemable in whole or in part at the option of the Company at any time upon payment of capital paid up thereon plus 10% and all accrued and unpaid dividends. Dividends payable quarterly.

CAPITALIZATION

	Authorized	Issued
8% Debentures to be converted into 8% Cumulative Preferred Stock	$4,000,000.00	$4,000,000.00
Common Stock Par Value $100	5,000,000.00	5,000,000.00

8% Preferred Stock—Authorized $5,000,000 (of which $4,000,000 is to be used in payment of like amount of Debentures and $1,000,000 to remain in the Treasury of the Company).

To be subject to a first mortgage or bond issue of $3,000,000 to be increased to $4,000,000 on completion of the 400 room addition.

BANKERS:—
ROYAL BANK OF CANADA

SOLICITORS:—
MEREDITH, HOLDEN, HAGUE, SHAUGHNESSY & HEWARD, MONTREAL, for the Hotel Company
BROWN, MONTGOMERY AND MCMICHAEL, MONTREAL, for N. A. MacDonald and Company, Limited

ARCHITECTS:—
ROSS AND MACDONALD, MONTREAL

DIRECTORS:—

HON. SENATOR C. P. BEAUBIEN, K.C., Director Frontenac Breweries, Limited.
W. M. BIRKS, ESQ., Vice.-President Henry Birks & Sons, Limited.
W. W. BUTLER, ESQ., President Canadian Car & Foundry Co., Limited
W. J. CLUFF, ESQ., President National Electro Products Limited.
FRANK A. DUDLEY, ESQ., President United Hotels Co. of America
G. H. DUGGAN, ESQ., President Dominion Bridge Co., Limited.
HOWARD G. KELLEY, ESQ., President Grand Trunk Railway System.
COL. J. T. LOREE, D.S.M., Gen. Mgr. The Delaware & Hudson Co.
NORMAN A. MACDONALD, ESQ., President N. A. MacDonald and Co., Limited
A. D. MACTIER, ESQ., Vice-President Canadian Pacific Railway.
COL. F. S. MEIGHEN, C.M.G., President Lake of The Woods Milling Co. Limited
COMMANDER J. K. L. ROSS, Director Canadian Pacific Railway.
THE HON. W. J. SHAUGHNESSY, K.C., Director Canadian Pacific Railway.
HON. SENATOR LORNE C. WEBSTER, President Holt Renfrew & Co., Limited.
BRIG.-GEN. J. LESLIE KINCAID, D.S.O., President Kincaid & Co., N.Y. City.

EARNINGS—PURPOSE OF ISSUE—MANAGEMENT

Detailed statement indicates earnings of over $7.00 per share on the Common Stock, the conservatism of which can be judged best by the fact that other hotels in the United Chain are paying from 10% to 25% on their Common Stock.

To meet the urgent demand on the part of the residents, transportation and other business interests of Montreal, commercial travellers and tourists, it is proposed to construct upon the most desirable site in the city, a modern fire proof hotel of 1,036 rooms. This hotel—The Mount Royal—will be operated as a link in the chain of twenty hotels in Canada and the United States which are managed by the United Hotels Company of America. The personnel of the local Board of Directors together with the fact that "The Mount Royal" will be operated by the United Hotels Company of America insures its success.

Interim certificate will be issued by the Montreal Trust Company pending delivery of definitive Debentures. Application will be made to list the Preferred and Common Shares on the Montreal and Toronto Stock Exchanges.

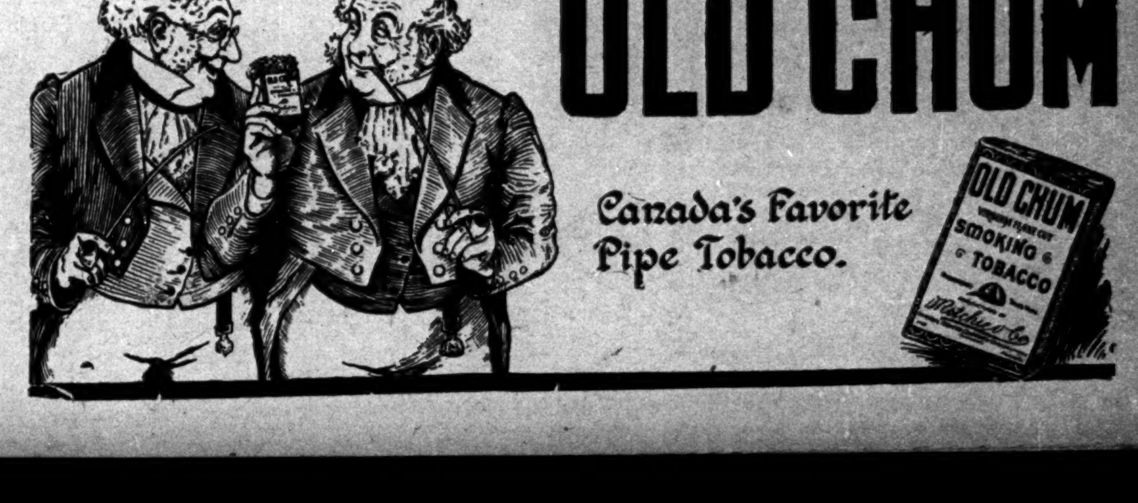
Price: Par and Accrued Interest with a Bonus of 40% Common Stock

Interest on Debentures and Dividends on Preferred Stock payable at option of holders in Montreal or New York exchange

Orders may be telephoned or telegraphed at our expense

N. A. MACDONALD AND COMPANY
LIMITED

35-37 King Street West, TORONTO — 2 Place d'Armes Square, MONTREAL — 112 Union Bank Building, OTTAWA



CANADIAN STOCKS

Quotations of listed Securities on Montreal and Toronto Stock Exchanges, with prices at closing on Feb. 15. In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active.

Capitalization: Preferred	Common	Bonds and Debentures	Div. Rate	Yield to Feb. 8	COMPANY	Range 1920 High	1920 Low	1921 to Feb. 8 High	1921 Low	Close Feb. 15 Ask	Bid	Week ending Feb. 15 High	Low	Close	Sales
....	5 000 000	6 160 600	6	11.65	Abitibi Power & Paper com	87	49¼	58	44	51½	51	52⅛	48¾	49½	3,992
1.000 000	....	....	7	7.86	Abitibi Power & Paper pref	99	85	89	86¼	90	...	89	89	89	15
....	6 594 300	....	.....	.....	Amer. Cyanamid com	36	33	...	...	...	...	...	...	...	...
994 200	....	....	6	9.67	Amer. Cyanamid pref	65	62	62	...	...	...	...	...	...	...
....	3 500 000	1 473 666	.....	.....	Ames-Holden com	137½	10	25	20	...	...	...	...	...	...
2,500 000	....	....	7	.....	Ames-Holden pref	114¾	27	45½	30	...	...	35	33	33	95
....	614 660	537 442	.....	.....	Amer. Salesbook com	7½	5	...	...	...	...	...	...	...	...
3,073 300	....	....	7+1¾	9.33	Amer. Salesbook pref	83½	70	77	72	75	...	75	75	75	10
....	3 000 000	2 940 000	6+1¾	7.50	Asbestos Corp. com	103	64	82½	77	79	75	79	75⅛	75⅛	120
4,000 000	....	....	8	8.69	Asbestos Corp. pref	108	83	95	88½	94	93	94	92	94	259
....	3 500 000	1 345 000	10	.....	Atlantic Sugar com	164	16	33¼	20¼	32	31	33⅛	29	31	3,569
2,500 000	....	....	7	8.28	Atlantic Sugar pref	184	24½	...	...	...	...	...	...	...	...
8,483 500	27 450 000	54 063 875	.....	.....	Barcelona Traction	9¼	3¼	4⅛	4	5¾	5⅛	5⅞	4⅜	5⅛	3,030
....	22 336 300	11 149 000	8	7.34	Bell Telephone	111¼	100	112	99¼	108	106	108	107	107	82
....	4 282 200	....	6	13.80	B. C. Fishing	66	34¼	46	38	44	42	44¼	41	41¼	50
10000 000	106 566 300	77 192 132	.....	.....	Brazilian Traction com	51¼	28	36	30⅞	35⅜	35¼	35⅜	33	34¾	9,524
....	1,278 700	17 234	10	9.30	Burt. F. N. com	110	88	109	101⅛	107	...	107	107	107	35
1,446 500	....	....	7	6.60	Burt. F. N. pref	110	90	108	96½	...	...	...	...	...	...
2,000 000	7 000 000	2 375 000	7	13.46	Brompton Paper	85	42¼	57¼	49½	...	52¾	53	50¼	51¾	2,623
....	2 500 000	1 146 872	.....	.....	Canada Bread com	32½	19	22	19¾	21¼	21	21	20⅛	21	320
1 250 000	....	....	7	8.04	Canada Bread pref	86½	84	87	85	...	86	87	87	87	16
....	4 975 000	7 757 822	.....	.....	Can. Car & Fdry com	74	29	43	31	...	33½	35	34¾	35	65
7,500 000	....	....	7	10.00	Can Car & Frdy. pref	109	67	79	64	72½	72¾	72½	70½	71	507
....	13,500 000	6 509 573	6	9.83	Canada Cement com	75	54¼	67¾	56⅛	59	58⅞	61½	56½	57⅛	2,740
10 500 000	....	....	7	7.44	Canada Cement pref	100	88½	94	90	93	92⅞	93½	92¾	93	124
....	1 733 500	399 000	7	10.76	Can. Converters	80	51	65	59	63	62½	63	62½	63	25
....	2 805 500	9 500 000	.....	.....	Can. Cons Rubber com	100	87¾	...	...	...	...	...	...	...	...
3 000 000	....	....	7	7.00	Can. Cons. Rubber pref	95	92	...	...	...	...	...	...	...	...
....	2 715 500	4 567 105	8	10.12	Can. Cottons com	100	71	79	72	...	79⅛	80	79	79	100
3 661 500	....	....	6	8.33	Can Cottons pref	83	66	72	70	72¼	72½	74	72⅛	73	205
....	960 000	173 200	12	.....	Can. Forgings, com	257	75	...	...	...	...	...	...	...	...
960 000	....	....	7	7.60	Can. Forgings, pref	92	91	...	...	...	...	...	...	...	...
....	8 000 000	....	8	7.61	Can. Gen. Electric com	109	93¾	106	94	107	106	108	106	107¼	470
2 000 000	....	....	7	7.10	Can. Gen. Electric pref	104	90	98½	90	...	100	100⅛	100⅛	100¼	41
....	2 000 000	1 500 000	8	9.41	Can. Locomotive com	100	80	86	82	88	...	86	86	86	3
1,500 000	....	....	7	8.23	Can. Locomotive pref	95	80	86	83	...	86	89	86	89	20
80,681 921	260 000 000	271 934 882	10	7.54	Can. Pacific Railway	142	125	141	129½	133	132	134	132½	134	279
....	800 000	369 000	8	9.14	Can Salt	147	85	87½	...	...	...	...	...	...	...
....	12 000 000	7 979 619	7	17.07	Can. Steamships com	80¼	34	50⅛	37⅛	39	38	41⅛	33½	36⅛	8,403
12 500 000	....	....	7	10.00	Can. Steamships pref	85	60⅛	74	65	67	66¼	70	66	68	1,527
....	1 200 000	454 500	.....	.....	Carriage Fact. com	49¼	7½	20	12	...	...	...	...	...	...
1 200 800	....	....	.....	.....	Carriage Fact. pref	90½	72¼	65¾	...	...	...	...	...	...	...
....	565 000	....	.....	.....	City Dairy com	62	50	60	55	...	...	...	...	...	...
700 000	....	....	7	8.75	City Dairy pref	99	85	82	80	...	...	...	...	...	...
....	5 360 700	....	10	7.32	Consumers Gas	150	125	138	124¾	...	139	140	136½	140	155
....	6 212 666	....	6	10.90	Crow's Nest Coal	59⅞	40	55	45	...	54	55	55	55	45
....	15 000 000	35 757 500	8	8.60	Detroit United Rly	113¾	79¼	93	88	95	93	96	93	93	378
....	6 500 000	....	8	8.98	Dominion Bridge	115	69	92	76	87	86	88	86½	86	300
....	2 796 300	1 719 410	.....	.....	Dom. Canners com	66¼	26	45	34	40	...	40	39	39	121
2 290 600	....	....	7	8.75	Dom. Canners pref	90	79	80½	78	...	...	...	...	...	...
3 000 000	15 000 000	5 864 500	7	9.03	Dominion Coal pref	97½	70	78	63½	...	78	78½	78⅛	78⅛	35
....	4 250 000	1 683 363	6	10.00	Dominion Glass com	69¼	57	64	56	...	...	61	60	61	40
2 600 000	....	....	7	8.53	Dominion Glass pref	91	82¼	82	77½	82	81	82	80	81	194
5 000 000	25 000 000	13 434 313	7	9.40	Dominion Iron pref	92	65	76	68	...	77	76	75	75	143
7 000 000	37 100 000	20 450 682	6	13.33	Dominion Steel Corp	82½	39	49	41½	49	48½	49	44⅜	48	5,937
....	1 000 000	....	6	7.05	Dom. Telegraph	91¼	80	85	81	86	84	85	85	85	15
....	5 000 000	4 767 500	10	9.25	Dom. Textile com	146½	96½	111	104	...	...	...	...	...	...
1 940 600	....	....	7	7.40	Dom. Textile pref	105	89	94⅛	89⅛	97½	96	96	95⅜	96	10
1 500 000	3 500 000	3 500 000	4	.....	Duluth Superior	28	12	13	...	...	13¾	14	12¾	14	250
....	2 250 500	950 000	.....	.....	Goodwins com	35	26	...	...	...	...	...	...	...	...
1 750 000	....	....	7	9.33	Goodwins pref	95	75	...	...	...	...	...	...	...	...
....	1 000 000	225 000	.....	.....	Holt Renfrew com	70	62	...	...	...	...	...	...	...	...
1,000,000	....	....	7	8.75	Holt Renfrew pref	85	80	...	...	...	...	...	...	...	...
....	2 500,000	800,000	8	7.92	Howard Smith Paper com	167	74¾	110	100	105	...	110	102¼	102¾	120
1,500,000	....	....	8	8.69	Howard Smith Paper pref	107½	91	92	91	...	92	92	91	92	10
7,289,500	....	....	6	8.57	Illinois Traction pref	70	64	70	65	...	71¼	71¼	71	71	140
500,000	6,267,005	....	25c.	.....	International Petroleum	82	20	...	...	...	...	...	...	...	...
....	2,198,018	1,902,500	8	8.69	Kaministiquia	97	83½	93	92	...	...	92	92	92	15
....	2,800,000	900,000	12	7.74	Lake of the Woods com	220	130	155	135½	155	154⅜	155	155	155	74
1,500,000	....	....	7	7.44	Lake of the Woods pref	112	93½	94	...	...	100	98½	98⅛	98¾	10
....	9,600,000	565,778	6	6.66	Laurentide Paper	125	81	95	89	91	90	91	89	90	1,574
1,300,000	1,750,000	934,900	8	11.94	Lyall Construction	99	35	75	47½	75	71	71	67½	71	25
2,388,600	3,000,000	....	.....	.....	Macdonald A. com	44¼	19	25	20	25	24¾	25	25	25	95
....	41,380,400	....	6	7.77	Mackay com	79⅛	67¼	80	69	78	77¼	78	76½	77	241
50,000,000	....	....	4	6.34	Mackay pref	74	61	65	63	...	...	...	...	...	...
....	2,500,000	....	12	8.21	Maple Leaf Mill com	196	133	146	138	...	145	145	145	145	20
2,930,000	....	....	7	7.14	Maple Leaf Mill pref	104	92	98¼	93	...	...	...	...	...	...
....	1,275,000	....	.....	.....	Monarch Knitting com	75	60	...	...	...	...	...	...	...	...
750,000	....	....	7	9.15	Monarch Knitting pef	90	85	80	76½	83	80	80	80	80	5
....	2,949,600	....	6	8.00	Montreal Cottons com	87	78	75	...	...	...	...	...	...	...
2,949,600	....	....	7	7.36	Montreal Cottons pref	105	90	95	90	...	...	...	...	...	...
....	64,126,100	....	5	6.00	Montreal L.H. & P. cons	90	76	86	81½	83	...	83½	83	83¼	689
....	2,000,000	....	8+½	7.20	Montreal Telegraph	124	110	111½	110	...	...	...	...	...	...
....	3,861,070	36,608,153	10	7.40	Montreal Tramways	155	125	135	125	140	135	140	135	135	253
....	2,254,300	1,580,000	4	7.54	National Breweries com	70	39¼	56¼	48½	52¼	52⅜	53⅛	51½	52	2,445
2,775,000	....	....	7	7.36	National Breweries pref	97	93	...	...	...	...	...	...	...	...
....	2,000,000	....	.....	.....	Nat. Steel Car com	12	3	5½	4	5⅛	5	5¼	5¼	5¼	75
1,500,000	....	....	7	.....	Nat. Steel Car pref	41½	21	28	22	...	26	25⅞	25⅞	25⅞	5
....	15,000,000	11,102,437	5	12.82	N. S. Steel & Coal com	80	33½	42	37	...	40	42	40	42	105
1,000,000	....	....	8	10.00	N. S. Steel & Coal pref	107	75	80	...	...	...	...	...	...	...
....	2,500,000	2,350,000	12	5.66	Ogilvie Milling com	280	175	212	180	...	202	212	212	212	5
2,000,000	....	....	7	6.93	Ogilvie Milling pref	105½	97	101	99	...	100	101	101	101	40
....	750,000	538,200	8	12.12	Ont. Steel Products com	89	50	70	58	...	...	...	...	...	...
750,000	....	....	7	7.95	Ont. Steel Products pref	89½	89	88	...	...	...	...	...	...	...
....	3,500,000	2,125,000	6	8.57	Ottawa L. H. & P.	81	70	72½	70	...	...	70	70	70	2
....	650,000	....	2	5.71	Pacific Burt. com	42	30¼	35	34	...	...	...	...	...	...
650,000	....	....	7	8.97	Pacific Burt. pref	85	76	79	76	...	...	...	...	...	...
....	2,150,600	2,000,000	8	8.16	Penmans Ltd. com	148½	93	100	95	110	100	102	101	101	113
1,075,000	....	....	6	7.40	Penmans Ltd. pref	91½	74	81¼	78	...	...	...	...	...	...
....	749,500	....	.....	.....	Port Hope Sanitary c	27	25	...	...	...	...	...	...	...	...
400,000	....	....	7	.....	Port Hope Sanitary pre	42	30¼	...	...	...	...	...	...	...	...
....	3,000,000	3,837,666	4	.....	Porto Rico Rlys. com	50	28½	40	37	...	42	42½	40	42½	283
1,000,000	....	....	7	9.85	Porto Rico Rlys. pref	79	60	71	64	78	75	77	76½	77	30
....	8,534,200	5,372,098	8	3.22	Price Bros.	385	250	253	248	...	...	...	...	...	...
....	2,481,300	95,000	6+1	6.29	Provincial Paper com	132	80½	95½	87¾	102	96	95	95	95	3
1,700,000	....	....	7	7.95	Provincial Paper pref	100	85	87¾	...	...	...	...	...	...	...
....	9,999,500	11,045,000	.....	.....	Que. Railway L.H.	36¾	18	27	22	28½	28	28¼	25⅛	27⅜	8,900
....	4,500,000	5,909,400	10	6.96	Riordon Paper com	226	126⅞	160	126¾	145	...	146	143	144½	225
1,500,000	....	....	7	8.75	Riordon Paper pref	101½	83	80	...	...	...	...	...	...	...
....	1,500,000	502,000	.....	.....	Rogers Wm. com	71	52	55	53	...	...	...	...	...	...
1,122,800	....	....	7+1¾	8.23	Rogers Wm. pref	102	80	87	85	...	...	...	...	...	...
....	800,000	....	7	9.33	Russell Motor com	89	70	...	...	...	...	...	...	...	...
1,200,000	....	....	7	12.72	Russell Motor pref	98	40	65	46	...	...	...	...	...	...
....	1,500,000	478,868	.....	.....	Sawyer-Massey com	20	13	15	13	15	...	19	19	19	2
1,500,000	....	....	.....	.....	Sawyer-Massey pref	67¼	35	54	45	52	50	52	52	52	20
....	20,000,000	9,353,261	7	6.60	Shawinigan W & P.	119½	97½	109½	104½	107	106⅛	107	106¾	107	939
....	4 000,000	2,226,006	6	6.81	Sherwin Williams com	119	75	88	85	...	...	80	80	80	50
3,425,000	....	....	7	7.77	Sherwin Williams pref	100	85¾	90	87	...	91	91½	90	91	17
....	8,750,000	....	8	6.15	Shredded Wheat com	142	130¾	130	...	130	...	127	127	127	25
1,250,000	....	....	6	6.12	Shredded Wheat pref	98	98	...	...	...	...	...	...	...	...
....	8,000,000	10,332,113	7	8.64	Spanish River Pulp com	129	75	89¼	77⅛	82	81	81¾	78	80	1,155
5,699,100	....	....	7	7.73	Spanish River Pulp pref	149	82	95	88½	91	90	90½	88½	89	944
....	11,500,000	8,562,225	7	11.40	Steel of Canada com	88½	54¾	64	59	63½	63	63¾	61½	61⅞	1,017
6,496,300	....	....	7	7.48	Steel of Canada pref	01½	85⅜	93½	86½	...	92	93	92⅛	93	119
....	1,200,000	160,590	6+1	8.16	St. Lawrence Flour com	139	59	75½	61⅛	71	...	70	70	70	15
575,000	....	....	7	7.77	St. Lawrence Flour pref	98½	92	90	85	90	85	88	88	88	25
....	7,894,000	1,440,000	.....	.....	St. Maurice Paper	170	123	120	...	...	...	...	...	...	...
....	650,000	....	.....	.....	Tooke Bros. com	86	67	57	50	...	...	...	...	...	...
985,000	....	....	7	8.97	Tooke Bros. pref	91	83	78	75	...	...	...	...	...	...
....	12,000,000	2,502,306	.....	.....	Toronto Railway	65	35	70	59½	73¼	75¼	74	67	72	4,127
....	2,500 000	....	4	8.33	Tuckett Tobacco com	57½	41	49	41	51½	50	52	48	50	676
2 000,000	....	....	7	8.43	Tuckett Tobacco pref	93	81¼	83	82	...	...	...	...	...	...
3,000,000	22,000,000	20,213,000	.....	.....	Twin City com	49	31½	47	43⅛	47	46	47	45¾	46½	279
....	1,750 000	891 000	4	8.69	Wabasso Cotton	135	48	48	42½	46	...	50	50	50	2
....	5,000,000	3,302,600	6	7.40	Wayagamack	150¼	71	89	76½	82⅛	81¾	83	82	83	320
....	2,449,588	1,371,55[illegible]	8+15	6.66	West. Can. Flour	145	105	...	...	...	...	...	...	...	...
....	9,000,000	10,130,000	.....	.....	Winnipeg Rly	38	26	44	36	48½	47¾	48	40	46	4,755
....	1,500,000	600,00[illegible]	1½+2	4.13	Windsor Hotel	100	70	145	120	...	...	...	...	...	...
....	1,718,600	410,000	8+5	8.00	Woods Mfg. com	110	[illegible]	...	...	...	...	...	...	...	...
154 6.500	....	....	7	8.53	Woods Mfg. pref	86	78¼	...	...	...	...	...	...	...	...

BANKS

Capital	Reserve	Div. Rate	Yield to Feb. 8	BANKS	Range 1920 High	1920 Low	Range 1921 to Feb. 8 High	1921 Low	Close Feb. 15 Ask	Bid	Week Ending Feb. 15 High	Low	Close	Sales
15,000,000	15,000,000	12+1	6.31	Commerce	199½	173¾	200	179¾	188	...	189⅛	186	186½	74
6,000,000	7,000,000	12+1	5.97	Dominion	206	190	204	191½	202	200	202	201	201	20
4,000,000	4,200,000	12	6.52	Hamilton	194	168	185	169¼	184	...	184	183⅞	184	47
4,000,000	4,000,000	10	6.55	Hochelaga	158½	151	153	151	...	...	151	151	151	2
7,000,000	7,500,000	12	6.34	Imperial	200	184	190	185	188½	186	188⅛	188	188	48
10,029,622	8,400,000	12	6.77	Merchants	203	158	182	168	...	174	179½	177	178	115
4,000,000	5,000,000	12	6.89	Molsons	194	169	174	168½	...	...	180	180	180	6
22,000,000	22,000,000	12+2	5.82	Montreal	220½	185	212	195½	...	210	210	208	210	104
2,000,000	2,300,000	12	7.22	Nationale	174	162¾	174	165	...	...	...	...	...	...
9,700,000	18,000,000	16	6.15	Nova Scotia	273	243	265	249	260	258	261	259⅝	260	31
20,134,010	20,134,010	12+2	5.91	Royal	233½	189½	208	193⅛	203½	202½	203	200	200	145
3,500,000	4,500,000	14	7.00	Standard	222	200	205	198	201	200	200	200	200	182
5,000,000	6,000,000	12	6.28	Toronto	197	179	192	182	...	...	...	...	...	...
8,000,000	6,000,000	10+2	6.28	Union	161	139	160⅛	146	158	156½	160	156	156	42

LOAN, TRUST AND INSURANCE

LOAN, TRUST AND INSURANCE	Div. 1920	Pres. Div. Rate	Range for 1920 High	Low	Latest Price Ask	Bid	Last Sale
Canada Landed	10	10	150½	110	133	130	133
Canada Permanent	10	10	178	157	182	178	180
Central Canada	10	10	...	...	...	...	...
Col. Investment pref	6	6	82	67	...	77	77
Dominion Savings	5	5	72	72	...	70	72
Great West. Per	5	...	...	...	...	...	89½
Hamilton Provident	9	9	146	145	145	140	140
Huron & Erie	6+1	6+¼	113½	110	...	112½	112½
Landed Banking	8	8	142	141	140	137	137
London and Canadian	9	9	126	110	120	117	120

LOAN, TRUST AND INSURANCE	Div. 1920	Pres. Div. Rate	Range for 1920 High	Low	Latest Price Ask	Bid	Last Sale
Montreal Loan	12	...	165	155	...	165	5
National Trust	11	12	230	198	195	190	8
Ontario Loan	10	10+¼	160	155	...	160	155
Real Estate Loan	7	7	95	92	...	...	92
Toronto General Trusts	10+1	12	211	196½	...	192	180
Toronto Mortgage	9	9	135	129½	...	132	132½
Toronto Savings	10	10	.....	...	...	...	185
Union Trust	7	7					
Confederation Life	20	20	310	300	...	100	100

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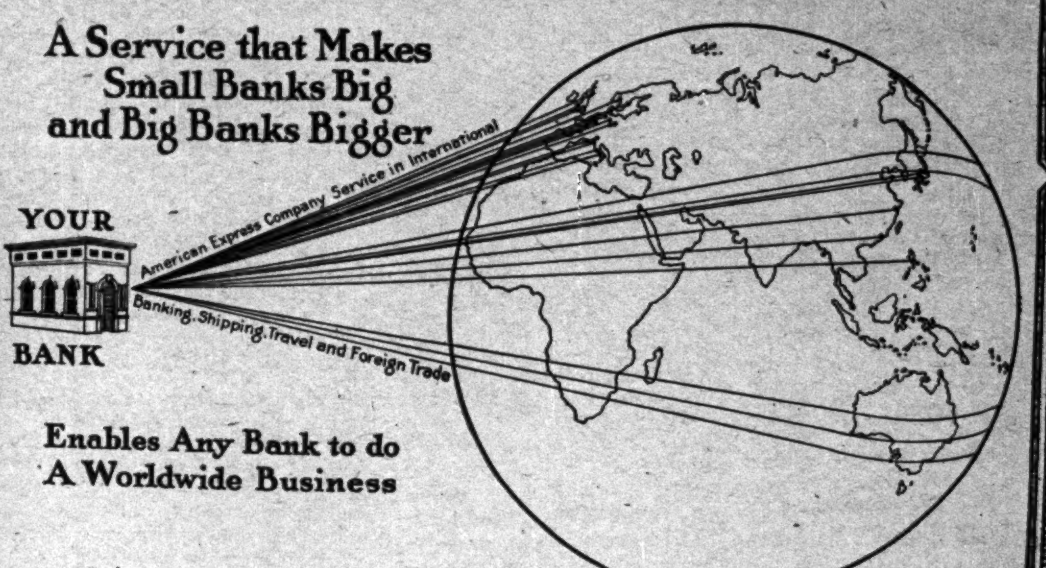

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Travelers Cheques and Letters of Credit; the International form of travel funds.

Commercial Letters of Credit; enabling your clients to purchase goods in foreign countries.

Foreign Balances and Collections; making it possible to carry accounts and make collections abroad.

A Foreign Trade Department; credit and trade reports; buying and selling of foreign commodities.

International Shipping Service; whereby its branch offices and correspondents take entire charge of forwarding merchandise (import and export) and transact all details, including insurance, customs, etc.

Government Securities; a complete international service to Investment Dealers and Banks, covering Liberty Bonds, Victory Notes and selected foreign-currency securities.

The Method of Obtaining this service will be explained on receipt of your inquiry. Address Manager of Office nearest your city.

AMERICAN EXPRESS COMPANY
65 BROADWAY, NEW YORK

29 Luckie Street, Atlanta, Ga. — Market St. at Second, San Francisco, Cal.
Ninth and Locust Sts., St. Louis, Mo. — 23 W. Monroe St., Chicago, Ill. — 231 St. James St., Montreal, Canada.

INTERNATIONAL BANKING, SHIPPING, TRAVEL AND FOREIGN TRADE

BUILDING TAKES DRASTIC SLUMP DURING JANUARY

Permits to Value of $2,305,687 Issued During The Month

OUTLOOK UNCERTAIN

Decline Due to Series of Adverse Factors—Building Loans Scarce—Construction Costs Continue High

New building undertaken in the opening month of the year was of small proportions, and indicated clearly that, so far at least, the downward movement in the prices of materials and labor has not progressed sufficiently far to stimulate building on a broad scale. The figures for the month will prove a disappointment to those who were looking for the beginning of better times in the building trades with the opening of the year. The grand total of building permits issued during the month amounted to $2,305,687, a considerable decline from $4,067,274 for the previous month, and compared with $3,774,137 for the corresponding month of the previous year.

The slump during the past month was not unexpected, and can be attributed to a variety of causes, among the most important, perhaps, the great scarcity of money for building loans. There is no doubt that costs which enter into construction are so shaping themselves that the builder will before long be in a position to undertake building with a fair prospect of a reasonable return, and consequently a fair degree of activity is looked for in the spring. Whether it will reach the volume attained during the height of activity last year is considered highly improbable by many builders.

A survey of the list of building figures reveals some interesting information. A number of cities report a large decrease in construction compared with January of 1920, and one city, St. John, reports that not a single permit has been issued during the month. The most drastic slump has been experienced by the city of Toronto, with a total of $584,620 for the month, compared with $1,469,330 for January, 1920. Last month's figure is, however, in excess of the total of any other city, Montreal ranking second with $353,225, compared with $227,655 last year. The total for the twenty-five Eastern cities reaches $1,770,717, while the figures for the sixteen cities of the West at $521,070 is under the returns for Toronto alone.

Hamilton makes a satisfactory showing for the month, with permits valued at $347,650 compared with $212,200 last year. A slump of $541,550 is noted in the case of Windsor, $182,690 for Halifax and $111,400 for Three Rivers.

The following are among the important permits issued: Sydney, repairs to building damaged by fire, $16,700; Hamilton, factory building for Libbey Owens Company, $250,000; apartment and store building, $30,000; Kitchener, public school, $4,000; London, warehouse, $10,000; York township, twelve houses, $59,000; Winnipeg, store building, $80,000; dwelling, $10,000. Regina, alteration to store building, $20,000.

Eastern Cities			
Maritimes—			
Halifax	$ 14,175	$ 196,865—	$ 182,690
Moncton	5,525	55,185—	49,660
Sydney	27,500	10,520+	16,980
Quebec—			
Montreal	353,225	227,655+	125,570
Quebec	13,315	110,650—	97,335
Sherbrooke ..	8,000	1,000+	7,000
Westmount ..	2,400	46,000—	43,600
Three Rivers .	35,700	147,100—	111,400
Ontario—			
Brantford ..	13,900	130,470—	116,570
Ft. William .	10,300	550+	9,750
Galt	2,000	.....+	2,000
Hamilton ..	347,650	135,450+	212,200
Kingston ...	1,305	6,655—	5,350
Kitchener ..	13,970	6,350+	7,620
London ...	40,100	29,685+	10,415
Ottawa	11,000	79,010—	68,010
Peterboro ..	5,787	4,900+	887
Port Arthur .	1,250	1,230+	20
St. Catharines	18,335	11,060+	7,275
St. Thomas .	3,050	2,800+	250
Stratford ..	5,055	4,198+	857
Toronto	584,620	1,469,330—	884,710
Welland ...	4,525	1,200+	3,325
Windsor ..	94,400	635,950—	541,550
Woodstock ...	280	2,500—	2,220
York Twp. ..	167,250	54,250+	113,000
Tl. 25 E. cities.	$1,784,617	$3,370,563—	$1,585,946
Western Cities			
Manitoba—			
Brandon ..	$ 1,200	$ 1,252—	$ 52
St. Boniface .	5,150	500+	4,650
Winnipeg ..	174,800	86,450+	88,350
Alberta—			
Calgary ...	33,000	52,000—	19,000
Edmonton ..	13,400	2,650+	10,750
Lethbridge ..	440	8,800—	8,360
Med. Hat ..	2,000	3,425—	1,425
Saskatchewan—			
Moose Jaw .	3,285	12,250—	8,965
Regina ...	28,150	13,400+	14,750
Saskatoon ..	9,600	30,425—	20,825
Weyburn ..	975	.....+	975
Pr. Albert ..	.....	4,250—	4,250
Yorkton ...	2,000	150+	1,850
British Columbia—			
N. Westm'st'r	10,050	9,950+	100
Vancouver ..	189,210	271,317—	82,107
Victoria ...	47,810	37,225+	10,585
Tl. 16 W. cities	$ 521,070	$ 534,044—	$ 12,974
Gr. Tl. 41 cities	$2,305,687	$3,904,607—	$1,598,920

EASTERN LUMBER MEN LOOKING TO THE U.S. MARKET

Business Should Revive With the New Building Season

By Resident Representative.

ST. JOHN.—That the American lumber market will shortly become active and afford an outlet for much of the surplus lumber of New Brunswick is the opinion of R. W. McLellan, of Fredericton, who has just returned from a trip to Boston and New York. Lumber dealers in American cities whom he consulted expressed confidence in a revival of building operations on a considerable scale. Lumber operators on the Pacific are planning to ship lumber to the Atalntic states via the Panama Canal, but this competition is not likely to affect the expected demand for Maritime lumber.

Increases in rail rates both in Canada and the States have opposed obstacles to the shipment of lumber from New Brunswick to the New England states by rail, but once the market picks up it is not anticipated that there will be any difficulty in obtaining sailing vessels or steamers to carry lumber.

The Building Outlook

A revival in building operations is also expected in St. John and other New Brunswick cities this spring. The man who is considering building will find prices of materials much more encouraging than last year. Retail prices in St. John in the middle of February of last year, compared with prices prevailing now, are:

	1920.	1921
	Per M.	
Merchantable spruce boards	49.00	44.00
Fir flooring	100.00	85.00
Spruce Scantling	50.00	42.00
Hemlock boards	50.00	45.00

Birch flooring which sold here in February of last year for $150 and went as high as $200 is now selling for $185.

One drawback to building operations locally is the brick situation. At one time St. John manufactured all the bricks and the increases in freight bricks and the increase in freight rates have put the price higher than last year.

The Lumber Cut

Hon. C. W. Robinson, Minister of Lands and Mines, estimates that the lumber cut on Crown lands during the past winter will be about 200,000,000 feet. During the previous season the cut was 360,000,000 feet. It is estimated that the cut on private lands will show a similar curtailment compared with the previous year. Mr. Robinson estimates that the revenue from the Crown lands and stumpage dues this year will be $1,000,000, as compared with $1,200,000 from the same source. This year's cut will pay stumpage on the basis of $5 per thousand, the rate which went into effect on August 1 last.

THE BRIGHTER SIDE

British Financier Says Dark Days Are Passing

LONDON.—E. W. Crammond, managing director of the British Shareholders' Trust, Ltd., the financial house responsible for the recent issue of £4,000,000 Cunard debentures, speaking at the annual dinner of the trust, declared that there was nothing really wrong with the country. He added:

"I am convinced that those who see only bankruptcy and ruin have completely misread the situation in which we stand to-day.

"The balance of trade, after being heavily against us for five years, now shows a great surplus, and the foreign exchanges are practically all moving in our favour.

"Our industries have been enormously developed on the lines of standardisation and mass production, and the productive capacity of Great Britain is now at least 50 per cent. in excess of the pre-war standard.

"A country which possesses such powers of recuperation as these cannot remain in a state of depression for any length of time.

"Our great industries and banks are already organised for the part they will have to perform in the great work of European construction, and the Stock Exchanges cannot lag behind."

SASKATCHEWAN DAIRIES

By Resident Representative.

REGINA.—The total value of the dairy products of the province in 1920 is estimated at $23,680,000, according to provincial officials. Creamery butter showed an increase of 40,000 in the face of a serious feed shortage and a decrease of 19,000 in the number of milk cows.

HEALTHY GROWTH EXPECTED IN THE BUILDING TRADES

Co-operation of Labor and Material Producers is Urged

LABOR MORE EFFICIENT

Stabilization of Prices is Needed Before Large Contracts Can Successfully Be Placed

While recognizing and admitting that conditions in the building trade clearly indicate a revival of activity in the spring of 1921, and throughout the year, one of the leading architects in Toronto, who specialize on domestic architecture, considers that the contractors and supply men have been lacking in sound judgment and have failed to adopt policies that, in his opinion, would have more quickly restored normal conditions. This authority says:—

The reductions in the scale of wages accepted in many trades and made voluntarily by other trades, is regrettably absent in the building trades. On a market of falling prices in material and labor we are confronted with the spectacle of carpenters actually demanding increases. This move is palpably an attempt to forestall impending reductions and is bound to prove abortive.

Fundamental conditions throughout the country cannot be denied. The fall in the cost of living must be reflected in a commensurate reduction in the cost of labor. In my opinion this is especially so in connection with carpenters, who, perhaps of all other trades, require to be less skilled to-day. The growth of the planning mill and the amount of shop work turned out has reduced the trade of carpentry more to the standing of an assembling job. In my opinion, therefore, the present scale of wages is excessive and requires readjustment.

On the other hand, however, it is with satisfaction that we note the large increase in efficiency. Some contractors have recorded a 50% increase in production per man hour. While this is perhaps high, taken over the average, yet the public who are contemplating construction do not, in my opinion, give sufficient importance to this trade. A 50% increase in production actually amounts to 33 1-3% reduction in cost. The public are always watching for the spectacular. A 5% reduction in wages catches their attention more readily than a large increase of efficiency.

The action of contractors and supply men in Detroit is particularly noteworthy. Here those engaged in the building trade got together and prepared a list, showing the rock bottom prices at which it was possible for them to purchase material and employ labor. On this basis, therefore, they made an announcement that they were prepared to undertake work. In Toronto, on the other hand, prices for material and labor have been moved down a peg at a time, with the result that the man who has been contemplating building a house or a factory has been unable to decide that the bottom has been reached, and by expecting still lower prices has delayed his work from day to day and month to month. National emergencies demand co-operative action. It is, therefore, that I firmly believe that the building trade of Canada, and particularly in the larger centres, would be greatly stimulated to the financial good of all concerned if those interested would make a broad and basic acknowledgment of conditions, refigure material cost to positive replacement value point, and make announcement that, barring unforeseen circumstances, such prices would hold good for a given stated time.

The co-operative movement has been noticed among certain groups of prominent and well-informed manufacturers, and in my opinion nothing could be done that would more clearly set forth the position of the builders and indicate to the public that the toboggan of prices had reached its bottom. That Toronto and the country at large is to experience a satisfactory and expensive growth of buildings is my firm opinion. It may safely be said that houses are practically the only product of labor which has not been overproduced in the last few years.

It is a never failing law of commerce that when a shortage appears in any given commodity that shortage is ultimately within a few years over supplied. It is on this, as well as other matters, that I base my opinion to a large building campaign in 1921.

Situation in States

That the co-operative policy has had a good effect in the United States is noted by instructions issued by representative sales managers. This is the language of one typical of many:

"On purchases made after this date the prices given are guaranteed against further reduction on any stock on hand or delivered up to June 30, 1921."

Vast building material mergers are in contemplation. One in the cement field has been consummated. In times like these they symbolize the sustenance of factors which need strengthening in time of long-continued famine.

A second view of conditions is expressed by a firm of architects whose practice has developed several of the larger residences and modern church buildings. This wide spread in prices of tenders submitted by different contractors on the same piece of work seems to indicate that the art and science of taking off quantities of material and figuring costs has been forgotten. Contractors recognize that their tenders are more in the nature of a gamble than they have ever been, consequently a wide margin of safety is used.

A Contractor's View

The attitude of labor is the root of all the evils attending the depression in building trades, according to the contractors. This is noticeable not only in the men actually engaged in the operation of construction, but is, perhaps, more seriously evident in the production and preparation of material and supplies. This was reflected most unfavorably in the case of the recent coal strike, and became first evident in a shortage of cement due to lack of coal. The settlement of this strike, while it soon permitted supplies of cement, had a reflex action in that the sudden rush of cars to the mines prevented the handling of stone and other materials to be used with the cement. Similar experiences, therefore, lead contractors to the belief that a seasonable adjustment of labor difficulties would revitalize the contracting and building industries. While some contractors look for and are preparing for a busy season in 1921, others feel that healthy expansion can hardly be expected till the spring of 1921.

PROFIT-SHARING SCHEME

British Workers Invest Savings with Firm

LONDON.— A large cotton corporation, the Amalgamated Cotton Mills Trust, Limited, announces in an article in The Cotton Factory Times that they have inaugurated a scheme which will be run on substantially the lines proposed by Sir Charles Macara in March last, by which the employees shall be enabled to invest their savings with the firm at a minimum interest rate of 5 per cent., free of income tax, which is equivalent to a fraction over 7¼ per cent.

The scheme does not stop there, but provides for an actual participation in profits, for if a dividend exceeding the rate specified is paid to the shareholders, the operative investors benefit equally as regards sums that have remained on deposit a full year. The operators are thus placed in the position of participating with the preference shareholders.

DID PROFIT SHARING OR UNION FAIL?

Continued on page 10.

imagination. The committee of the union went to headquarters at Philadelphia. They came back confirmed in what they started with. "No wage reductions is the motto of our union."

Employees Walk Out

On December 1, the nineteen hundred employees walked out.

It was nuts for the company. Raw material had been going down in price since October—25 per cent. in November, then 50 per cent. in December. The price made on hosiery in October was already too high in November. November prices were much too high in December. Even had the union accepted the company's offer the company claimed it would have been losing money, although it would have been following its twenty-five-year policy of not laying off the workers, even at a loss, but making up the loss out of its unemployment reserve. The union laid itself off, and the reserve was not called upon.

On the workers' side, the union members felt that Mr. Thieme had fallen under the influence of other stockholders, who objected to the too high wages with their bad effect on the labor market of Fort Wayne.

But Mr. Thieme himself believes that he has not changed his mind. He is only adjusting himself to new conditions. He warned the union what would happen. He used all his personal influence and prestige. A strike would be a slap at him personally. It would say that they did not trust him, that he was not straight. If so, he would not continue to do business with those who repudiated him after these many years.

So his new program, when the strike shall end and the men come back, is the open shop—no discrimination between union and non-union labor, but no recognition of the union through committees or otherwise. Instead, there will be a plan of organization which will put factory operations in control of the workers, by the workers, excluding officers of the company. All of the other features will not only be continued, but expanded. Profit-sharing again will be the leading feature, and with it, life, accident, sickness and unemployment insurance, old-age pensions, clubhouse, community centre, vocational education, efficiency committees, and so on.

Was it profit-sharing or unionism that fell down?

THE TRAVELLERS LIFE ASSURANCE COMPANY

OF CANADA

HEAD OFFICE - MONTREAL

A Story of Steady and Substantial Growth

Year.	Insurance Issued and Revived.	Total Insurance in Force.	Net Premium and Interest Income.	Total Assets.
1916	$1,589,983	$4,743,730	$137,921.70	$346,814.76
1917	1,726,930	5,397,277	170,911.66	422,552.32
1918	2,121,667	6,546,176	228,207.51	521,863.36
1919	3,138,566	8,805,175	302,043.04	729,670.10
1920	3,810,387	11,412,089	396,762.20	1,011,512.35

DECEMBER 31st, 1920.

Total Assets	$1,011,512.35
Liabilities	880,025.96
Surplus to Policyholders (including Paid-up Capital $117,840)	$ 131,486.39
Subscribed—Uncalled Capital	681,860.00
TOTAL SURPLUS SECURITY TO POLICY-HOLDERS	$ 813,346.39

MORTALITY FOR 1920—50% of Expected.

A Canadian Company doing business only with Canadians and with funds all invested in Canada.

President: Hon. George P. Graham, LL.D.
Vice-Presidents: J. N. Greenshields, K.C.; Hon. Lorne C. Webster.
Secretary and Actuary: Arthur P. Earle, A.I.A., A.A.S.
Chief Medical Adviser: Dr. A. E. Garrow.

EIGHTH ANNUAL REPORT

The Waterloo County Loan and Savings Co.

The Directors of The Waterloo County Loan and Savings Company have pleasure in submitting herewith to the Shareholders their Eighth Annual Report, showing the result of the Company's operations for the past year, accompanied by the Balance Sheet to December 31st, 1920.

After providing for interest on deposits and debentures, and defraying the expenses of management, the balance available for distribution is as follows:

Balance brought forward from 1919	$ 2,256.04
Premium on stock	1,753.00
Net Profits for the year	56,994.83
	$61,003.87
This amount has been disposed of as follows:—	
Two half-yearly Dividends, Nos. 13 and 14, at the rate of six per cent. per annum	$37,507.35
Set aside to Special Contingent Account	6,000.00
Transferred to Reserve Account	15,000.00
Balance carried forward	2,496.52
	$61,003.87

During the past year the Company's business increased very satisfactorily, and while conditions in general throughout the country have quieted down considerably in the last few months the change no doubt is a healthy one. We have confidence that the operations of our Company will continue to expand and increase the highly satisfactory business which has been built up within the last few years.

Your Directors feel that the record of the Company during its short career has been a creditable one. A six per cent. dividend has been maintained since its inception, and substantial amounts added to Reserve Accounts from the profits of the business. By reason of the fact that the Company operates two offices, Waterloo and Kitchener, the overhead expenses are larger than would be the case were a similar volume of business confined to the one office. It is the desire of your Directors to build up the Reserve Account of the Company so as to insure increased profits, in the future, by way of dividends to the Shareholders.

The investments of the Company have received careful attention, and the books and vouchers, both at the Head Office and at Kitchener Branch, have been audited monthly, the Auditors' Certificate being attached herewith.

Your Directors exceedingly regret having to record the death in November last, of Mr. P. H. Sims, who was a Director of the Company since its organization and an active worker in the building up of its business.

The two vacancies of the Board have been filled by the appointment of Mr. J. H. Gundy, of Toronto, and Mr. J. M. Scully, of Kitchener, Mr. Scully's term of office as Auditor having ended with the completion of the Company's report to December 31st, last.

All of which is respectfully submitted.

THOS. HILLIARD, President.

Waterloo, Ontario, January 25th, 1921.

PROFIT AND LOSS ACCOUNT.

Dr.		Cr.	
Interest on Deposits and Deposit Receipts	$51,180.53	Balance brought forward	$ 2,256.04
Interest on Debentures	28,377.01	Premium on Stock	1,753.00
Interest on Loans	11,157.79	Earnings on Mortgages, Government, School and Municipal Bonds, etc.	178,115.24
Commission Account	1,698.04		
Expenses, including Provincial and Municipal Taxes, Salaries, Rentals, Printing, etc.	28,706.04		
Dividends Nos. 13 and 14	37,507.35		
Transferred to Contingent Reserve Funds	6,000.00		
Transferred to Reserve Account..	15,000.00		
BALANCE Profit and Loss	2,496.52		
	$182,124.28		$182,124.28

ASSETS AND LIABILITIES.

Assets.			Liabilities		
Office Premises (Kitchener and Waterloo)		$ 77,359.00	**To the Public—**		
Real Estate held for sale		36,124.19	Savings Deposits	$1,127,700.92	
MORTGAGES—			Debentures	643,225.72	
Principal	$1,001,153.06		**Money Borrowed with Security—**		
Interest	39,379.22	1,040,532.28	Dominion Government against security of Victory Bonds	229,195.23	$2,000,121.87
Loans on Company's own Stock and Debentures	$ 14,312.62		**To the Shareholders—**		
Loans on other securities	43,747.30	58,059.92	Capital Stock subscribed, $683,000.		
Bonds issued by the Dominion of Canada and Provinces of Canada		609,459.89	Capital fully paid.	$610,916.52	
Canadian Municipalities, School Districts and Rural Telephone Debentures		792,068.06	Capital partly paid	27,848.30	638,764.82
Other Bonds and Debentures, (guaranteed as to principal and interest by the Dominion or Provincial Governments)		133,926.50	Reserve Account		120,000.00
Cash in Banks		109,303.74	Contingent Reserve Fund		9,500.86
Cash on Hand		33,083.44	Dividend declared, and unpaid (due Jan. 1, 1921)		19,032.95
			Profit and Loss Account........		2,496.52
		$2,789,917.02			$2,789,917.02

THOMAS HILLIARD, President. P. V. WILSON, Manager.

To the Directors and Shareholders of The Waterloo County Loan and Savings Company.

GENTLEMEN:—

We beg to report that we have audited the books of account of your corporation for the year ending 31st of December, 1920, and have verified the cash, bank balance and securities of the corporation.

That we have examined the annexed statement and that it agrees with the books of the corporation.

That after due consideration we have formed an independent opinion as to the position of the corporation.

That with our independent opinion so formed and according to the best of our information and the explanation given us, we certify that in our opinion the statement sets forth fairly and truly the state of the affairs of the corporation.

That all transactions of the corporation that have come within our notice have been within the powers of the corporation.

Respectfully submitted,
J. M. SCULLY, F.C.A.
J. SCULLY, Auditors.

Waterloo, Ontario, January 25th, 1921.

Directors: Thos. Hilliard, President, Waterloo; E. F. Seagram, Vice-President, Waterloo; S. B. Bricker, Waterloo; F. S. Kumpf, Waterloo; J. H. Gundy, Toronto; H. J. Sims, Kitchener; Fred. Halstead, Waterloo; W. L. Hilliard, M.D., Waterloo; Geo. D. Forbes, Hespeler; A. J. Kimmel, Cobourg; J. M. Scully, Kitchener.

Manager, P. V. WILSON. Solicitors, McBRIDE & McKENZIE.

PROBLEM OF PRICE MAINTENANCE IS STILL UNSETTLED

The Follow-up Systems of Larger Manufacturers Are Effective

U. S. COURT RULINGS

Have Favored Producers Who Can Control Merchandising by Threat of Withdrawing Supply of Goods

The problem of price maintenance and control as between the manufacturer and the consumer is a vexing one all along the line of merchandising between the factory and the retailer. The question has been frequently in the courts of the United States with varying decisions, and as the trade conditions are much the same on both sides of the international boundary, the following article, from the "New York Annalist," holds interest for Canadian business men. It is by C. T. Murchison, Assistant Professor of Economics, New York University.

Does the manufacturer have the right legally to compel the retailer to observe a fixed price in the sale of branded goods to the consumer? As far back as twenty years ago an answer to this question was being sought in the Federal courts. Many times since the search has been renewed. Yet the answer is still regarded as incomplete, while the question itself seems to grow in importance and in interest with the passing years.

Consequently business men in general express much variety of opinion as to the lengths of which their powers of price control may properly go. Their confusion on the subject in some respects is probably as great as it was when the Victor Talking Machine Company began its struggle for resale price control with The Fair, a Chicago department store, in 1902. That such is the situation is very unfortunate, for the question of price maintenance is one of extreme seriousness to all manufacturers and distributors of specialty goods. Uncertainty relative to any such important question cannot fail to be productive of unhealthy economic developments.

To be sure, the various Supreme Court decisions upon the subject have served very definitely to invalidate certain particular methods of achieving price maintenance itself is still with us. Only nowadays it must show itself in a very expensive mask, and one which requires minute care for its proper upkeep. Which fact means, in short, that its services are available only for the elite of the manufacturing world.

If a manufacturer for any reason possesses a strong consumer-demand for his goods, has an organization capable of following the goods after they leave his hands, and checking up the selling methods of the dealers, he can effectually and with apparent legality secure resale price control. It is done by the very simple device of "suggesting" to dealers what the resale price should be, together with the threat that if the "suggestion" is not accepted no more goods will be forthcoming. Obviously the majority of specialty manufacturers cannot afford the elaborate and costly "follow-up" system which is necessary to make the "refusal to sell" threat effective.

Colgate Company's Stand

For this reason, an internationally known manufacturer of branded goods stated the other day that the present status of resale price maintenance in the United States is "unfair, undemocratic and uneconomic," thus epitomizing what seems to be the majority opinion on the subject. Continuing, he declared that his own company had so successfully achieved price maintenance by the refusal-to-sell method in conjunction with a follow-up system which omitted not a single retailer that only one dealer had been guilty of price cutting during the past year. "This is proof enough," said he, "that the matter of price control is no longer a problem with us. So far as the economic interests of our own company are concerned, we have no quarrel with the present status of price maintenance. It is from the standpoint of the general interest that we condemn it, for there are relatively few manufacturers who are in a position to adopt methods such as ours."

As another instance in point, specific reference may be made to the policy of the Colgate Company, as it has already been given considerable publicity by the Federal Trade Commission. In reply to charges recently issued by the commission, the Colgate Company readily admitted that it has made a practice of "indicating on price lists, circulated among its customers, suggested resale prices." Admission was also made that the company had refused to sell goods to certain dealers who were guilty of deviating from the "suggested" price.

In order further to emphasize the mere suggestiveness of its policy, and to avoid the appearance of formal and arbitrary price control over goods in dealer possession, the Colgate Company to the Federal Trade Commission "denies that it has fixed or pursued or carried into effect a policy of fixing resale prices." It goes further, and denies that the company has either sought or accepted assurances from its distributers that they will maintain the suggested price.

This company is by no means unique in using a price policy of the nature it thus describes. There is another well and favorably known manufacturer who, in conjunction with the refusal-to-sell threat, uses a license notice addressed to dealers in which it is stipulated that the manufacturer in selling goods to the dealer does not transfer title to the good-will embodied in the maker's name and trade-mark. Wherefore the dealer is cautioned that he is free to cut prices upon only those units from which the maker's name and trade-mark have been removed. The dealer is told that unidentified units will be supplied if he so desires.

Legal Point of View

The major part of the legal justification for the indirect forms of price maintenance now in vogue appears to be based upon the United States Supreme Court decision handed down more than a year ago in the Colgate case, and upon a more recent decision of the United States Circuit Court of Appeals in the Beech-Nut case. An interpretation of those decisions advanced by a prominent attorney who was counsel for the manufacturers in both cases reads partly as follows:

"The decision of the Circuit Court of Appeals in the Beech-Nut case is a complete vindication of the Beech-Nut merchandising policy, to wit, the refusal to sell to dealers who either do not charge the fair resale prices suggested by the company or resell to other dealers who do not charge such prices. * * * The decision is predicated upon the decision of the United States Supreme Court in the Colgate case, wherein was established the fundamental principle that a manufacturer or trader, engaged in an entirely private business has the undoubted right to exercise his own independent discretion as to the parties with whom he will deal and to announce in advance the circumstances under which he will refuse to sell."

This interpretation, which, in substance, appears to be widely accepted, and which probably accounts for the majority of the price maintenance forms now in use, encounters little opposition so far as it goes. However, as has been pointed out by another prominent attorney, who is one of the foremost authorities on business competition and the law, the above-mentioned decisions, while upholding the right of refusal to sell, are at the same time in agreement with previous rulings to the effect that any contract, either express or implied, entered upon for the purpose of maintaining resale prices is illegal. This fact may possibly have much significance in the price maintenance litigation of the future, for in the judgment of the last-mentioned authority, insistence upon a "suggested" price, if followed by compliance on the part of dealers, especially those with whom the manufacturer had previous misunderstanding relative to price policies, may easily bring about a condition of mutual agreement which is likely to be construed by the courts as an implied contract.

From the legal point of view, therefore, one point of weakness which now appears to lie in the present Colgate plan is the seeming great difficulty of following it over a long period of time without tumbling into the pitfall of implied contracts. Should this pitfall, however, be successfully evaded, it seems likely that the Colgate plan and those similar to it will become the most promising and popular of the pathways leading in the general direction of price maintenance. At any rate, by a long process of judicial elimination, the other known and practical pathways seem to have been pretty effectually barred. But then the work of blazing new trails may not be over.

In case the Colgate and Beech-Nut decisions do eventually operate to establish the validity of the refusal-to-sell plan used in conjunction with a suggested price or a license notice (which is by no means certain, as above pointed out), the Supreme Court will, in effect, have indirectly legalized a practice which in the past it has often appeared to condemn. Should this happen, the obvious inference from the layman's point of view will be that all along the court has been more concerned with forms than with realities.

STEEL QUOTATIONS TO LOWER LEVELS

Tendency is Now in That Direction in the Canadian Markets

While it is not possible to say that an era of lower prices has definitely set in on the iron, steel and machine tool market, it cannot be denied that the movement is in that direction, says Canadian Machinery. Especially is this so in machines turned out by the newer makers as some of the old-established companies are still working on orders and are in no mood to consider reductions. Many of the makers have planned their course very carefully and have avoided making up a large stock to urge lower prices on their sales force. Reductions during the week have been made in motors, gear cutting machines, internal grinding machines, etc., and these range from ten to twenty per cent.

Dealers are taking a more determined stand regarding cancellations and it is not an easy matter to get a cancellation accepted now. One firm cancelled the day the machine came, but the dealer fought it out in the courts and made acceptance necessary.

Some houses are reporting a much better week in inquiries than for some time past. None of these had been in the market before and they were from a widely distributed area.

Steel merchants are not taking in much material just now, still working on the theory that their best move for the present is to get their stocks down as low as possible. There is a fair amount of business going, but it is still in small quantities and for only immediate needs.

Pittsburgh reports indicate that buyers generally anticipate some movement in steel there and predict that it will be downward in price. There are plenty of rumors of prices sagging several dollars a ton, but this has not become general enough yet to establish a new market at a figure below the price of the United States Steel Corporation.

U. S. STOCK OF MONEY

WASHINGTON.—The circulation statement of February 1 shows the general stock of money in the United States as $8,171,237,897; held in treasury as assets of Government, $499,358,809; held by Federal Reserve banks and Federal Reserve agents against issues of Federal Reserve notes, $1,530,614,076; money in circulation, $6,141,265,012; circulation per capita, $57.19.

Beef cattle on farms in the United States are now valued at considerably less than before that country entered the war. The average price per head of all ages of cattle, other than milk cows, was $35.92 in 1917, $44.22 in 1919 and $31.41 in 1920.

"THE MOUNT ROYAL"

Hotel Industry Ranks Fourth

According to statistics, on this continent hotels rank fourth in the various industries. Hotel Securities are now being recognized, particularly those under "chain" or "circuit" operation, as securities comparing favorably with stable industrial securities.

Montreal, with a population of 900,000, has less than one-fifth of the hotel accommodation of Cleveland with a population somewhat less than that of Montreal. And, in the opinion of those who are in a position to know, the demand for first-class hotel facilities in Montreal is far greater than that of any other city of its size on the continent.

We recommend the 8% Convertible Debentures of THE MOUNT ROYAL HOTEL COMPANY which we are at present offering to our clients. The issue carries with it a BONUS OF 40% COMMON STOCK.

Circular and full particulars on request.

N. A. MacDONALD AND CO.
LIMITED

35-37 King St. West TORONTO — 2 Place d'Armes Sq., MONTREAL — 112 Union Bank Bldg. OTTAWA

Tenth Annual Report of the Directors of

The Canada National Fire Insurance Co.

To the Shareholders:

Your Directors have pleasure in presenting for your consideration their Tenth Annual Report, also the Statement of Assets and Liabilities and Revenue and Expenditure Accounts for the year ending December 31st, 1920, certified by the Auditors of the Company.

It is with a feeling of satisfaction that your Directors beg to report that the Company has experienced another successful year, in fact, it may be regarded as one of the best years in the Company's history.

There were, during the past year, no outstanding features which had special bearing on the operations of the Company.

Business conditions were, on the whole, much the same as in the previous year, although contrary to the expectations of many, prices of practically all commodities continued to soar, and the wage standard was maintained as during the war period. As a result, owners of buildings, manufacturers, wholesalers and retailers found it necessary, for their adequate protection, to materially increase their lines of fire insurance. This resulted in a considerable increase in the volume of fire insurance written during the year.

While building operations were not very active, as compared with those during normal times, there was quite an improvement over the preceding year. After a period of several years' inactivity in building, followed by the return of many thousands of soldiers from overseas, and an increasing number of immigrants during the last three years, there was experienced a great shortage, particularly in housing accommodation. This reached a climax in the fall of 1920, not only in the Dominion, the United States, but in the British Isles and many other countries.

There was considerable agitation during the year to meet the growing requirements of the increasing population, and many plans were proposed and some carried out with a certain measure of success, but Capital did not respond very readily owing to the prevailing high cost of material and labor. This problem has yet to be solved. It is felt, however, that with a gradual readjustment along these lines, the building situation will show signs of improvement.

The business of a fire insurance company is closely associated with that of the building trades, as new buildings are an important source of business for a fire company. Even the moderate improvement in conditions during 1920 is reflected in the volume of insurance written by this Company, the increase over the previous year being $3,205,450.00. The business written by the Company in 1920 was $26,364,244.00, this amount eclipsing all previous records of the Company.

While this record is a gratifying one, your Directors have reason to believe that, with a change for the better in general conditions, the present year should show a material increase in business over that of last year.

The gross premiums on business written by the Company in 1920 were $328,171.96, a gain over 1919 of $40,794.41. Reinsurance premiums amounted to $125,428.97, an increase of $23,016.46. Gross insurance in force at December 31st, 1920, was $36,891,896.00. This shows a gain over the figures of the previous year of $5,137,562.00. Premiums on gross insurance in force were $527,749.23, a gain of $71,856.99. Reinsurance in force at the close of the year was $10,625,149.00, an increase of $1,718,101.00, the premiums thereon amounting to $145,180.39, being $26,015.66 greater than in 1919. Net fire insurance in force at December 31st, 1920, was $26,266,747.00, the gain over the previous year's figures being $3,419,460.00.

Before referring to this Company's loss ratio for 1920, it might prove of interest to know that the total fire losses in Canada for that year were the largest, with one exception, in the history of the Dominion, being estimated at $27,706,574.00, or $4,500,000.00 greater than in 1919, but approximately $4,100,000.00 less than in 1918, Canada's record year for fires, several large munition plants being destroyed in that year.

Favorable comment was expressed at this Company's low loss ratio of 33.45 per cent. in 1919, but even a better showing was made under more unfavorable conditions in 1920, the loss ratio reaching the very low level of 32.82 per cent., which surpasses all previous records of the Company. The average loss ratio for the last fifty-one years, from 1869 to 1919, inclusive, for all Companies operating in Canada, was 58.19 per cent., or in other words, 25.37 per cent. in excess of this Company's record for last year.

Considering that the year 1920 was none too favorable for Fire Companies generally, due, among other things, to great extremes in weather conditions, a very severe winter followed by an unusually long, hot, dry summer, your Directors are very gratified at the year's results, and they take this opportunity of referring to the efficient and able administration of the Underwriting Department of the Company, realizing that while it is desirable and important to increase the volume of business from year to year, it is equally important, if not more so, to make a careful selection and decline undesirable and hazardous risks, however profitable they might prove to be, even at the sacrifice of volume of business.

On referring to the Financial Statement it will be noted that of the Company's securities, mortgages on Real Estate form the chief item, these amounting to $1,560,531.61, an increase for the year of $126,427.72. Payment of Interest and Principal showed quite an improvement over the previous year. These loans are upon improved city and farm properties, and the fact that they have borne up so well during several years of depression, indicates the high character of these investments. There was a reasonably active demand for mortgage moneys during the year.

The item Stocks and Bonds remains practically the same as in the previous year, standing at $676,615.11, made up largely of Dominion Government War Bonds, amounting to $555,000.00.

Agents' Balances amounted to $43,279.08, or a reduction of $4,087.82 from last year.

Cash on Hand and in Banks amounted to $25,646.44.

From the standpoint of liquid assets, the Company maintains a strong financial position, these liquid securities comprising high-grade Stocks and Bonds and Cash Reserves, amounting to over $700,000.00.

Due to the large increase in business in 1920, the reserve for unearned premiums now stands at $157,574.75, or $13,088.47 greater than at the close of the previous year. With reference to the business with Foreign Treaty Companies, this Company held on deposit, re-insurance premiums amounting to $72,568.09, an increase over 1919 figures of $8,748.86.

Revenue derived from mortgages, stocks, bonds and various other sources amounted to $167,547.16, a gain of $15,316.53 over last year, and net fire premiums after deducting cancellations, rebates and re-insurance were $202,742.99, an increase of $17,777.95 over 1919 figures. The total revenue for the year was $370,290.15, as against $337,195.67 for the previous year, showing a gain of $33,094.48.

After providing for all management expenses, fire losses, taxes, Government Reserve, interest and sundry other charges, as well as writing off $3,536.25 for depreciation in Furniture and Fixtures, there remained net profits of $156,332.67. Out of these profits there was apportioned the usual annual dividend of six per cent., which amounted to $110,503.84, leaving a balance of $45,828.53. This amount has been transferred to the reserve or net surplus to shareholders, bringing that fund up to $343,414.25. This sum, added to the Contingent Reserve Fund, makes a combined reserve of $443,414.25, or 23.97 per cent. of the paid-up Capital.

The Surplus to Policyholders shows a gain of $69,606.98, now amounting to the large sum of $2,193,150.60. This item requires no special comment; suffice to say, that, from the point of view of the Assured, there is absolute protection and security.

When considering the business of fire insurance, too much importance cannot be attached to the financial position of the insuring Company. A Company with a large surplus to its policyholders is a safer company in which to insure than one with a small Capital and Reserve, and in this respect your Company, while young in years, stands right at the top of our Canadian Fire Companies.

The past few years have been trying years to build up a large and successful business, but by an aggressive policy and careful underwriting, satisfactory results have been achieved, and as for the future, your Directors are confident that, with the return to normal conditions, and it is hoped prosperous times in the comparatively near future, this Company will greatly extend its business and forge ahead more rapidly than it has done in the past.

Your Directors again wish to thank the Shareholders for the many evidences of co-operation and support during the past year. They fully realize and appreciate the fact that the hearty co-operation of the Shareholders means much for the welfare and upbuilding of the Company.

It is with a feeling of warm appreciation that your Directors draw attention to the splendid services rendered by the Officers and Staff as well as the many Agents of the Company, and they take this opportunity to thank them for their good work during the past year, and trust that their efforts in the present year will meet with even a larger measure of success than they have hitherto enjoyed.

J. H. G. RUSSELL, President.

Winnipeg, February 8th, 1921.

At a subsequent meeting of the newly-elected Board of Directors, J. H. G. Russell was elected President; W. J. Boyd and F. H. Alexander, Vice-Presidents; and W. T. Alexander, Managing Director.

THE CANADA NATIONAL FIRE INSURANCE COMPANY

Financial Statement, 31st December, 1920

ASSETS.

Mortgage Loans on Real Estate and Accrued Interest			$1,560,531.61
Stocks and Bonds (at cost) and Accrued Interest			676,615.11
Real Estate—Head Office Property		$ 164,796.98	
Real Estate, other than Head Office Property		213,113.63	
			377,910.61
Office Furniture and Fixtures, Maps and Plans, Less Depreciation			16,854.37
Accounts Receivable			2,015.69
Agents' Balances			43,279.08
Cash in Banks and on Hand			25,646.44
			$2,702,852.91

LIABILITIES

Government Reserve for Unearned Premiums			$ 157,574.75
Losses Unpaid (in Course of Adjustment)			10,773.00
Accounts Payable			19,438.97
Reinsurance Premiums (held as Reserve on Deposit)			72,568.09
Dividend for Year Ending 31st December, 1920			110,503.84
First Reinsurance Co. of Hartford, Special Account			38,843.66
Contingent Reserve Fund			100,000.00
Capital Stock Subscribed	$2,050,400.00		
Paid Up		$1,849,736.35	
Net Surplus		343,414.25	
SURPLUS TO POLICY-HOLDERS			2,193,150.60
			$2,702,852.91

REVENUE.

Balance Brought Forward from 1919		$ 442,071.70
Profits from Mortgages, Stocks and Other Sources		167,547.16
Fire Insurance Premiums for 1920	$328,171.96	
Less Reinsurance thereon	125,428.97	
		202,742.99
		$ 812,361.85

EXPENDITURE.

General Expenses, Salaries, Commissions, etc., Loan and Investment Department	$ 39,820.30	
Fire Department	90,957.31	
		$ 130,777.61
Losses and Loss Adjustment Expenses	$127,752.22	
Less—Reinsurance Recoveries	61,197.07	
		66,555.15
Depreciation written off Furniture and Maps		3,536.25
Dividend for Year Ending 31st December, 1920		110,503.84
Reserve for Unearned Premiums	$157,574.75	
Net Surplus	343,414.25	
		500,989.00
		$ 812,361.85

AUDITORS' REPORT

TO THE SHAREHOLDERS:—

We beg to report that we have audited the Books and Accounts of The Canada National Fire Insurance Company for the year ending 31st December, 1920, and have found them properly stated and sufficiently vouched. We have verified the Cash on Hand and in Banks and the Mortgages and other Securities. In our opinion the Balance Sheet presents a correct view of the state of the Company's affairs as at 31st December, 1920, according to the best of our information and the explanations given us, and as shown by the Books of the Company.

(Sgd.) D. A. PENDER, SLASOR & CO.,
Chartered Accountants.

Winnipeg, 4th February, 1921.